2001 - 2002
ALBERTA TRANSPORTATION
ANNUAL REPORT

Alberta
TRANSPORTATION

103-01802/

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Preface *Public Accounts 2001 - 2002*

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 25, 2002 contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Transportation contains the Ministers' accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent the Ministry has anything to report.**

Minister's Accountability Statement

The Ministry's Annual Report for the year ended March 31, 2002 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 13, 2002 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Ed Stelmach
Minister of Alberta Transportation

Message from the Minister

Ed Stelmach
Minister of Alberta
Transportation

In a year dominated by global uncertainty in the political and economic arenas, Alberta shone as a model of stability and success. I have a renewed appreciation of how lucky we are in this province to enjoy an excellent standard of living. This is possible in part because Alberta Transportation encourages enterprise and responsible resource development, supported by a strong network of transportation and water systems. Over 60 per cent of Alberta's economy is export-based, and Alberta Transportation has continued its efforts to streamline the flow of goods to local, national and international markets.

An agreement was signed August 23, 2001 to provide joint federal-provincial funding of $92 4 million over the next five years for highway improvement projects in Alberta. This was the second federal-provincial agreement in Canada to be signed under the $600 million Strategic Highway Infrastructure Program announced in April 2001.

Alberta faced reduced provincial revenues over this reporting period. Alberta Transportation commends municipalities, contractors, and consultants for their co-operation in the wake of reduced provincial revenues in 2001, and subsequent budget reductions in 2002.

Safety has continued to be a priority for Alberta Transportation. The Ministry maintained a visible profile on radio and television by launching a series of acclaimed prime-time advertisements to educate Albertans about the human cost of driver error. Albertans saw our initiatives at work on Alberta roads in the battle to eliminate alcohol-related casualties as part of the annual summer Joint Forces Checkstop campaign, as well as the launch of a new campaign promoting motorcycle safety.

Development of safety-related regulations continued for the new *Traffic Safety Act* as well as for the forthcoming *Railway (Alberta) Act*. Road improvements also contribute to safety by reducing collisions, some up to one half.

In June 2001, the Ministry received a national award of merit from the National Transportation Week Association and a regional award of merit from the Northern Alberta Transportation Club. These awards of merit commend the Dangerous Goods & Rail Safety and Inspection Services Branches for their assistance in the Pine Lake tornado disaster of July 14, 2000.

The Commission on Accreditation for Law Enforcement Agencies (CALEA) accredited the Ministry's Inspection Services Branch on November 29, 2001, for upholding professional enforcement standards. This distinction puts Alberta Transportation on the leading edge of transport safety in Canada.

In November 2001, the Ministry received a Silver award from the Canadian Council for Public-Private Partnerships in recognition of its effectiveness in re-tendering Alberta's highway maintenance contracts. Key to the success of this initiative is the special relationship the Ministry has fostered with its highway maintenance partners.

Through strengthening its partnerships with municipalities, transport industry stakeholders, and the construction and consulting industries, Alberta Transportation will continue to protect and enhance the quality of life that Albertans already know, making Alberta an attractive, healthy place to live and do business for years to come.

Ed Stelmach

Ed Stelmach
Minister
Alberta Transportation

Management's Responsibility for Reporting

***The Ministry of Transportation** includes the Department of Alberta Transportation. The executives within the Ministry have the primary responsibility and accountability for the Ministry. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.*

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Transportation. Under the direction of the Minister I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the Province under Ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Transportation any information needed to fulfill their responsibilities, and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

Jay G. Ramotar
Deputy Minister
Alberta Transportation

A Look to the Future

A number of major initiatives will be priorities over the next several years as Alberta Transportation continues to provide quality infrastructure to meet the needs of Albertans. The Ministry will :

Traffic Safety Act

- continue to implement the *Traffic Safety Act* and its regulations, providing a legislative framework for addressing safety issues and new initiatives, including the Graduated Driver Licensing Program. Other areas being addressed include regulations related to driver training and driver examination; vehicle equipment; rules of the road; vehicle registration and driver licensing; provisions for written-off and salvage motor vehicles; and other traffic safety matters.

Fiscal planning

- collaborate with Alberta Finance, Alberta Revenue, other Ministries and our stakeholders to develop strategies for long-term funding for transportation and water management infrastructure, based on the results of initiatives like the Future Highway Needs study conducted by Alberta Transportation in December 2001. These strategies will include removing barriers to more innovative and cost-effective provision of infrastructure, such as public-private partnerships.

North-South Trade Corridor

- continue developing the North-South Trade Corridor between Coutts and the B.C. border west of Grande Prairie. This development is in harmony with the province's Economic Development Strategy, and reaffirms the Government of Alberta's business plan goal of providing effective and efficient infrastructure. The Alberta/United States trade has increased significantly since the North American Free Trade Agreement (NAFTA) was signed in 1993, and trucks carry over $12 billion per year to and from the United States. The North-South Trade Corridor construction project includes twinning 550 kilometres of rural highway and the construction of 50 kilometres of urban "ring road" through the cities of Calgary and Edmonton. Upon completion, the total length of the corridor will be 1,175 kilometres of four-lane divided highway. The total North-South Trade Corridor project is expected to be completed by 2011, subject to available funding.

Railway (Alberta) Act

- provide for the safe operation of public, industrial and amusement railways under provincial jurisdiction through the proclamation and implementation of the new *Railway (Alberta) Act* and its regulations.

A Look to the Future

Capital Planning Initiative

- lead the cross-ministry Capital Planning Initiative, and support effective funding decisions with a long-term capital plan for both government-owned and supported infrastructure. Development of government guidelines for public-private partnerships in the provision of infrastructure is being looked at within this initiative. A direct benefit to Alberta Transportation will be implementation of an effective, independently verifiable Transportation Infrastructure Management System to improve planning and priority setting of transportation.

Fatigue management pilot program for commercial drivers

- determine the effectiveness of the fatigue management pilot program for commercial drivers. Fatigue is believed to contribute to many collisions involving large vehicles. To address this, Alberta Transportation initiated a fatigue management pilot program for commercial drivers. An evaluation of that pilot program's effectiveness as a counter-measure to driver fatigue will be undertaken to determine its potential effectiveness as an ongoing initiative.

Out-of-province and written-off vehicles

- establish a process to license the inspection and repair of out-of-province and written-off vehicles by private sector mechanics and their facilities in conjunction with the Out-of-Province and Written-Off Vehicle Inspection Program. A safety inspection is required on all motor vehicles last registered in another jurisdiction or repaired from a "written-off" status before they can be registered in Alberta.

Advanced traveler information system

- proceed with a request for proposals and share costs to develop a blueprint for an advanced traveler information system in the Red Deer area, including deployment of two changeable message signs on Highway 2 under the federal Intelligent Transportation Systems Program. The blueprint study is expected to take about nine to twelve months to complete. The changeable message signs will be installed when sufficient information and recommendations are available from the blueprint study.

Joint border crossing facility

- partner with Canadian and American governments and the State of Montana to complete the new joint use border-crossing facility at Coutts/Sweetgrass. This is the fastest-growing commercial crossing in Canada, at approximately nine per cent a year for the last eight years. The new border-crossing facility will streamline operations and provide increased capacity for commercial and non-commercial traffic. Initial construction began in 2001 and, when completed, the site will have six northbound lanes and five southbound lanes, with one lane in each direction dedicated to trucks, and designed for future Intelligent Transportation Systems (ITS) capabilities.

Operational Overview

Our Mission

Alberta Transportation contributes to Alberta's economic prosperity and quality of life through the provision of a safe and efficient transportation network, water management facilities and environmentally safe water and wastewater infrastructure.

Our Core Businesses

- **Improve road, driver and vehicle safety** by ensuring effective driver education and licensing standards; delivering vehicle and commercial carrier safety programs; monitoring the handling and transport of dangerous goods; managing driver records and problem drivers; implementing impaired driving programs; and overseeing the safe operation of provincial railways.

- **Continually improve the provincial highway infrastructure** through efficient planning, design, construction, rehabilitation, operation and maintenance. Provide design, construction and rehabilitation of major water management infrastructure.

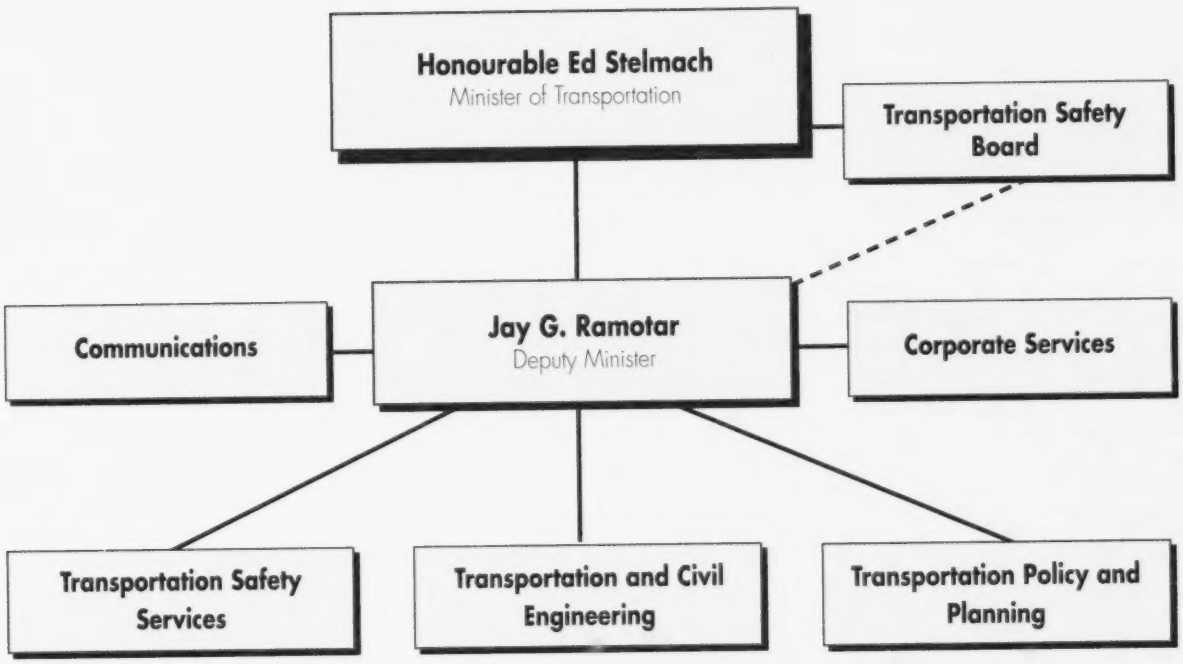
- **Through innovative partnerships, support municipalities** in the provision of their overall transportation and water/wastewater infrastructure needs.

- **Influence national and international policy** on roads, busing, trucking, rail, air, passenger, accessibility, ports/marine, and border crossing service facilities.

- **Represent Alberta's interests in internal and external trade agreements** as they impact transportation.

Of the three core businesses identified in the Government's Business Plan *(People, Prosperity and Preservation)*, Alberta Transportation primarily supports the core business of *Prosperity* through the provision of a safe and efficient transportation network, water management facilities and water/wastewater infrastructure. It also contributes to the other two core businesses and their associated goals.

Ministry Organization (as of March 31, 2002)



Ministry Contacts

Minister of Transportation
Honourable Ed Stelmach

telephone: (780) 415-9390 fax: (780) 415-9412

Deputy Minister of Transportation
Jay G. Ramotar

telephone: (780) 427-6912 fax: (780) 422-6515

Transportation Safety Board, Gary Boddez, Chair
telephone: (780) 427-8623
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Chairs the Driver Control Board and the Motor Transport Board, which will be combined into the Transportation Safety Board upon implementation of the *Traffic Safety Act*. The Driver Control Board conducts inquiries on whether drivers should be suspended, be required to undertake remedial education or treatment, or be subject to terms and conditions for the possession of an Operator's License. The Motor Transport Board hears cases to determine if commercial truck and bus operators should be granted, or continue to hold, Operating Authority Certificates in respect of operating their business in Alberta.

Transportation Safety Services, Gregg Hook, ADM
telephone: (780) 415-1146
fax: (780) 415-0782
e-mail: gregg.hook@gov.ab.ca

Oversees vehicle and driver safety services, driver licensing, road safety information and programs, licence enforcement, impaired driver programs, dangerous goods control, and monitoring the motor carrier industry and provincial railways. Administers over-weight and over-dimension highway fees and permits and commercial vehicle inspection stations services. Transportation Safety Services also undertakes various educational initiatives aimed at the travelling public; commercial carriers and shippers; pedestrians; schools; and interest groups.

Transportation and Civil Engineering, Rob Penny, ADM
telephone: (780) 427-7215
fax: (780) 415-1268
e-mail: rob.penny@gov.ab.ca

Plans and programs provincial highway construction and rehabilitation projects, as well as numerous special projects, such as the North-South Trade Corridor. Manages provincial highway maintenance activities throughout the province. Also manages the municipal transportation, water/wastewater and other grant programs (Infrastructure Canada/Alberta Program), and the construction, rehabilitation and upgrading of major water management facilities.

Ministry Contacts

Transportation Policy and Planning, Brian Marcotte, ADM
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Provides long-term planning of the highway network. Reviews impacts of major development on the roadway system. Develops provincial policies pertaining to highways, municipal transportation, motor carriers (truck and bus), rail and air modes of transportation, from the perspective of passengers, shippers and carriers. As well, influences national and international policy on national highways, rail, air, intercity bus, ports/marine operations, border crossing services, and coordinates various barrier-free transportation and climate change initiatives. Takes the lead role on major transportation policy reviews and leads the cross-ministry Capital Planning Initiative and Aboriginal policy issues.

Corporate Services, Vacant, ADM
(shared with Alberta Infrastructure)

Provides support to the offices of the Deputy Minister and Minister of both Alberta Infrastructure and Alberta Transportation. Manages key financial services and human resources, as well as coordinates cross-ministry initiatives, such as business and legislative planning, and the *Freedom of Information and Protection of Privacy Act*. Also responsible for information systems management, the administration of contract claims, review of tenders and contract extensions.

Communications, Cheryl Mackenzie, Acting Director
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e-mail: cheryl.mackenzie@gov.ab.ca

Provides strategic communications planning and consultation for the offices of the Minister, Deputy Minister and the Ministry. Services include media relations, issues management, communications planning, preparation of speeches, news releases, advertising copy, and other support materials, graphic design support for the Ministry, answering and coordination of the Ministry's information line, coordination of the Ministry's intranet, and coordination of communications during dangerous goods incidents.

AUDITOR GENERAL *Alberta*

Report of the Auditor General On The Results Of Applying Specified Auditing Procedures To Performance Measures

To the Members of the Legislative Assembly

I have performed the following procedures in connection with the Ministry of Transportation's performance measures included in the *2001-2002 Annual Report of the Ministry of Transportation*.

1. Information obtained from an independent source was agreed with the information supplied by the stated source. Information provided internally was agreed to the reports from the systems used to develop the information.

2. The calculations that converted source information into reported measures were tested.

3. The appropriateness of the description of each measure's methodology was assessed.

As a result of applying the above procedures, I found no exceptions. However, these procedures do not constitute an audit, and therefore I express no opinion on the performance measures included in the *2001-2002 Annual Report of the Ministry of Transportation*.

Fred J. Dunn CA

Auditor General

Edmonton, Alberta
August 9, 2002

Goal 1: Improve Transportation Safety

Education **Information** **Compliance**

Making Alberta's roads as safe as possible

OBJECTIVES:

Improve road user behaviour

- "Walk the Talk", the child traffic safety program geared to children from kindergarten to grade 6, continued this year. In 2001, more than 195,000 students representing over 570 schools in Alberta participated in the program. Safety tips on bicycling, in-line skating, skateboarding and school bus safety, along with the Point, Pause, and Proceed pedestrian method for crossing streets were highlighted. Since this program was launched in 1997, it has gained provincial recognition for its unique and exciting way of providing children with traffic safety tips and practices.

- Safety campaigns geared toward drivers included collision prime time radio advertisements focused on addressing driver error and educating drivers. A *Motorcycle Safety Campaign*, promoting the safe operation of motorcycles on Alberta streets and highways, was initiated in conjunction with stake-holders. As well, a *Summer Joint Forces Check Stop Campaign* took place to remind drivers that the province and its police services have adopted a no-nonsense approach to impaired driving enforcement. All Alberta Transportation safety initiatives support the Government of Alberta goal that Alberta will be a safe place to live and raise families.

- The 2001 *SLED SMART Snowmobile Safety and Education Campaign* aimed at students in grades seven to nine in rural schools, raised awareness of safe and environmentally responsible snowmobile operation. Key elements of the campaign centered on information, education and community involvement.

- On May 3, 2001, the *Traffic Safety Amendment Act* was introduced in the Alberta Legislature and received Royal Assent on May 31, 2001. The amendments fine-tuned the *Traffic Safety Act* that was passed in 1999. Highlights of the Bill include increasing vehicle impoundment from 30 days to 60 days for repeat offences of driving while suspended involving the same driver and the same registered owner, and amendments to the Graduated Driver Licensing program for first time drivers. A change to the Alberta Administrative License Suspension (AALS) was also profiled. This provides for a 24-hour suspension for anyone providing a breath or blood sample over .08 blood alcohol concentration or refusing a breath or blood sample demand.

- Consultation with Albertans showed support for developing new regulations for off-highway vehicles and commercial vehicle general equipment as an integral part of ensuring traffic safety. These consultations cover issues such as lighting requirements for dirt bikes, and minimum age requirements for off-highway vehicles, front brakes for commercial trucks, and written maintenance and inspection programs. A discussion paper on graduated driver licensing and general driver licensing reflected Albertan's support for a graduated driver license system for new drivers. Input from these and other discussion papers were considered as regulations were drafted for the *Traffic Safety Act*.

- To assist drivers and carriers, and to ensure our roads and highways remain among the safest in North America, Alberta Transportation actively participated in a Memorandum of Understanding (MOU), with all Provincial Transportation Ministers and the Federal Government. This MOU will promote harmonized provincial safety regulations with the National Safety Code for commercial drivers and carriers.

Improve standards for the commercial carrier industry

- The safe movement of goods to local, national and international markets continued to be an important component of Alberta's active economy. Alberta worked with the United States and Canadian jurisdictions to ensure harmonization of enforcement and standards for cargo securement on commercial vehicles.

- Even the most experienced drivers are affected by fatigue. To reduce the potentially devastating effects of fatigue-related collisions, Alberta Transportation initiated a comprehensive and integrated Fatigue Management Pilot Program for commercial drivers in co-operation with Transport Canada, the Workers' Compensation Board and the Province of Quebec.

- Discussions were held among western jurisdictions, including British Columbia, Alberta, Saskatchewan, Manitoba, Yukon and Northwest Territories on harmonization of commercial carrier weight thresholds for inclusion in the National Safety Code program. Although an agreement has not been reached, Alberta Transportation will continue efforts to bring about harmonized weight thresholds.

- Responded to 6,707 calls through the Dangerous Goods Coordination & Information Centre (CIC) during the 2001-02 fiscal year. In addition, the CIC provided assistance to emergency responders in 259 dangerous goods related incidents, including 152 dangerous goods on-road incidents. As part of a nationwide information and awareness program following the September 11th terrorist attacks in the United States, 71 safety and security briefings were held with individual dangerous goods carriers. Fifteen safety and security briefings were held with various industry associations and transport committees across the province. A further three presentations were completed in conjunction with the U.S. Department of Transport with cross-border carriers in Calgary, Edmonton, and Lethbridge, attended by 105 carrier companies.

- During National Transportation Week (June 2001), Alberta Transportation received a national award of merit and a provincial award for the assistance provided in the Pine Lake tornado disaster of July 14, 2000. The Dangerous Goods & Rail Safety and Inspection Services branches worked on traffic control, assisted victims and other rescuers, scoured the disaster area for dangerous goods and answered hundreds of calls from the public and the media. Their efforts helped eliminate additional dangers at the tornado site.

Improve the delivery of services

- In consultation with industry and municipalities, important strides have been made towards development of a one-window permit system for commercial carriers operating in Alberta. Internet-based technology will allow industry to obtain permits for over-weight and over-dimension vehicles through on-line applications. The system will have the ability to check all roads along the route based on data submitted and updated by the municipalities. The data entry and web components have been successfully completed, and once fully implemented, this initiative will streamline and automate the permitting system for commercial carriers operating in Alberta. Provision of this new on-line application system supports the Government of Alberta's strategy to develop a high-speed provincial technology network so that all Albertans can access provincial government services.

- Efforts continued on the Traffic Safety Data Collection project, which proposes to capture and record electronically traffic safety data collected through traffic tickets, commercial vehicle inspections and collision reports. Work continues with law enforcement agencies and other ministries and stakeholders to refine the funding options and review potential software packages for possible future implementation.

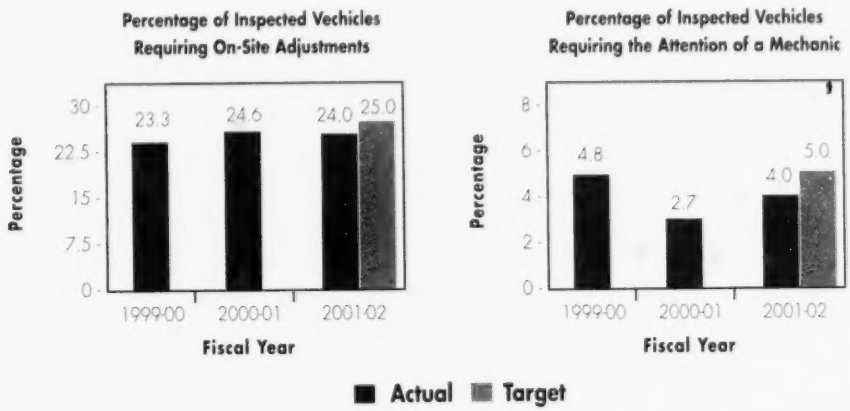
Enhance rail safety

- Developed, in conjunction with industry groups, regulations for the new *Railway (Alberta) Act*, which include adoption of federal safety regulations and standards. Through two discussion papers released in the Fall of 2001, stakeholders were consulted on key policy and technical matters for the development of the regulations. The Act will help ensure the safe movement of products and people on Alberta's public, industrial and amusement rail systems through the safety regulations for railway operation as well as for construction and maintenance of track.

- Mechanical Safety of Commercial Vehicles

This measure represents the percentage of a random sampling of commercial vehicles that have been rendered out-of-service when inspected in roadside checks by Ministry staff. The Ministry target set out in the 2001-04 Business Plan was to achieve no more than 25 per cent of vehicles requiring on-site adjustments and no more than 5 per cent of vehicles that require the attention of a mechanic. The lower the number, the better the result.

Results



About the Results

For this measure, the percentages are calculated using inspection reports generated by Ministry officials completing the inspections. The inspections are undertaken using internationally recognized standards issued by the Commercial Vehicle Safety Alliance. As stated, this measure includes only a sampling of the total number of inspections done throughout the year. In this sample, 64 sites across Alberta were used to conduct seven random inspections at each site between June and November. The total number of vehicles inspected was 448. Of the 448 commercial vehicles inspected, 107 required on-site adjustments and 20 vehicles required the attention of a licensed mechanic.

Through ongoing education and enforcement programs, Alberta Transportation continues to work with the commercial carrier industry to enhance safety on Alberta's highways. Programs such as the "Partners in Compliance" program allows commercial carriers with exemplary safety records to self-monitor. The program also provides incentives for commercial carriers to ensure their equipment and business operations meet all prescribed safety criteria. Ongoing inspections of all commercial vehicles over 4,500 kgs are also undertaken throughout the year to ensure commercial vehicles travelling on Alberta's highways meet all safety standards.

- Mechanical Safety of Commercial Vehicles

Trends Impacting the Measure

Growth in interprovincial and international trade and the need for quick, efficient transport has led to a significant increase in the number of trucks on Alberta's highways. For example, in 1999 alone, over $7 billion in international trade was shipped by road. As a result of this increased truck traffic, in recent years Alberta Transportation has increased its capacity to undertake inspections and monitor commercial vehicles. The Ministry will continue to work with the commercial carrier industry on education and information initiatives that are aimed at commercial vehicle safety.

- Seat Belt Usage

This indicator is defined as the percentage of vehicle occupants estimated to be wearing seatbelts in Alberta. Transport Canada collects the data through annual surveys on light duty vehicles (including passenger cars, passenger vans and light trucks) in all provinces. This measure is an estimate of how many people are wearing seatbelts in Alberta. The target is to reach a compliance rate of 95 per cent by 2010, matching the national target. The estimate is accurate within ± 0.6 per cent 19 times out of 20 in repeated samples.

Results

Percentage of Seat Belt Use

Canada		Alberta	
1999	90.1	1999	89.3
2000	90.1	2000	87.2
2001	89.9	2001	84.9

About the Results

Through an annual survey, Transport Canada estimates the number of people wearing seatbelts in Alberta. This year's survey was conducted between July 16 and July 22, 2001 on light duty vehicles. Light duty vehicles do not include commercial vans or large trucks, farm equipment, or vehicles which are not equipped with and do not require seatbelts (e.g. vintage automobiles). The results for Alberta were 84.9 per cent compared to the national average of 89.9 per cent.

Alberta Transportation continually promotes the use of seat belts as one of its many strategies to improve safety in Alberta. Through its support and participation in the Alberta Occupant Restraint Program, Alberta Transportation strives to educate Albertans about the benefits of seat belt use for adults, as well as the proper use for children.

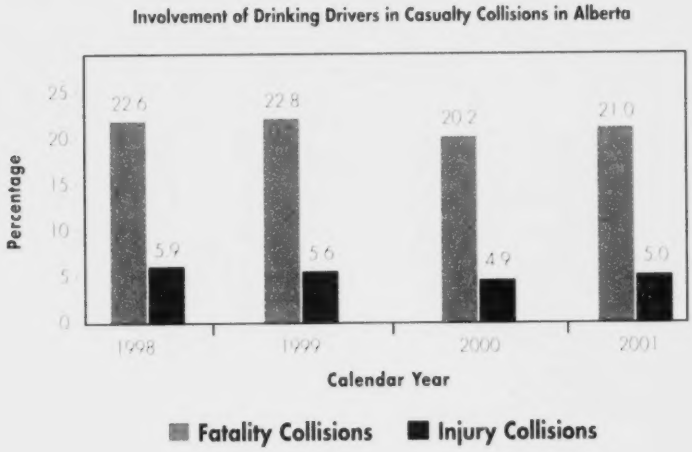
Trends Impacting the Measure

Alberta's population is steadily increasing as more and more people migrate to Alberta. In 2001, there was an increase of 3.5 per cent of vehicles registered in Alberta over last year, which may result in increased traffic on Alberta's highways. As well, many people tend to believe that when travelling short distances they do not need to wear their seat belt. It is no surprise that most deaths and serious collisions resulting in injuries happen in cars travelling under 65 kilometres per hour. To encourage Albertans to wear their seat belts, the fines for not wearing one were increased in 1999 to $50 from $25. Alberta Transportation will continue to educate the public on the benefits of using seatbelts and child restraints in order to keep Albertans and our highways safe.

- Involvement of Drinking Drivers in Casualty Collisions

This measure indicates the percentage of vehicle operators in casualty collisions (injurious and fatality) who were judged to have consumed alcohol before the collision. Data for this measure is taken from the Alberta Collision Information System, which is administered by Alberta Transportation. The measure results are based on a calendar year.

Results



About the Results

Drivers involved in collisions resulting in either an injury or a fatality (casualty collisions) are included in the measure results. Driver condition data is compiled from collision reports completed by the attending law enforcement officer. Drinking drivers are those who, in the officer's judgement, have consumed alcohol prior to the collision. During the reporting period, there were a total of 28,953 drivers involved in casualty collisions in the Province of Alberta for whom a driver condition was specified on the collision report form. Of these, 5.0 per cent of drivers involved in injury collisions and 21.0 per cent of drivers involved in fatality collisions were judged to have consumed alcohol prior to the collision. As the severity of the collision increased, the involvement of alcohol dramatically increased. Human condition was unspecified for 5,766 drivers involved in casualty collisions, and those are not included in the measure result.

- Involvement of Drinking Drivers in Casualty Collisions

In order to continue its efforts to educate current and future drivers of the dangers of drinking and driving, Alberta Transportation, with its many traffic safety partners, continues to undertake awareness, education and enforcement programs throughout the year (see Goal 1). As well, from its inception in December 1999 to March 2002, the Alberta Administrative License Suspension (AALS) program has resulted in 18,064 suspensions of Alberta drivers who are charged with having a breath or blood sample over .08 blood alcohol concentration or refusing a breath or blood sample demand. In addition, initiatives such as the Ignition Inter-Lock Program and periodic checkstops contribute to deterring drinking and driving and educate the public about its effects and consequences.

Trends Impacting the Measure

Alberta's population has been steadily increasing due primarily to the growing economy. Albertans are also driving further than ever before as shown by the 13.1 per cent increase in traffic volumes since 1997 (recorded by Alberta Transportation's 316 Automated Traffic Recorder sites throughout the province). In addition, the number of drivers increased by 10.5 per cent during the same period. Alberta Transportation provides ongoing monitoring of roadways under its authority, including maintenance and upgrades to enhance the safety of all who use our highways. This combined with ongoing education and enforcement programs have contributed to the positive results for this measure.

Goal 2: Enhance Transportation Infrastructure Planning and Management

Planning Design Construction Rehabilitation Operation Maintenance

Continually improving the provincial highway infrastructure

OBJECTIVES:

Lead the cross-ministry Capital Planning Initiative

- Alberta Transportation continued to lead the Capital Planning Initiative (CPI). The CPI is included in the Government of Alberta Business Plan, and is a government-wide project aimed at ensuring that infrastructure dollars are used effectively and efficiently. One of the key strategies is directed at implementing effective, independently verifiable infrastructure management systems (IMS) and common key performance measures for owned and supported infrastructure to improve planning and priority setting. Under this initiative, Alberta Transportation is developing the Transportation Infrastructure Management System (TIMS) and provides expertise to other ministries in the development of their systems.

- The CPI report of March 2000 identified three long-term performance measures to be used across government to report the management of physical infrastructure, whether it is owned or supported by government. These measures monitor physical condition which is reported in good, fair or poor condition, utilization which determines whether the utilization level on provincial highways is within a targeted capacity, and functional adequacy which determines if the provincial highways are providing acceptable functional service. The Ministry has developed transportation-related performance measures for all three areas, and they are being reported in this annual report. Work is continuing on the performance measures.

Goal 2: Enhance Transportation Infrastructure Planning and Management

Continue to implement the recommendations of the Premier's Task Force on Infrastructure

- Fall of 2001 saw completion of the transfer of the secondary highways. The province now assumes full financial responsibility for these roads, saving municipalities some 85 million dollars per year. The previous cost-sharing arrangement meant that municipalities were responsible for 25 per cent of the costs for construction and rehabilitation and for 100 per cent of maintenance. By no longer having to maintain the secondary highways, municipalities are able to focus on local priorities. The transfer of major trade routes through cities was also completed.

Effectively administer infrastructure construction and maintenance contracts

- Alberta Transportation works in partnership with private industry to construct, rehabilitate and maintain provincial highways and bridges. By ensuring early tendering of the contracts for provincial highway construction and rehabilitation projects, industry was able to effectively plan for the 2002 construction season.

- In order for the environment to be protected during highway construction, it is critical that all parties to Alberta Transportation's contracts, agreements, permits and authorizations, are aware of their respective responsibilities concerning environmental protection. In support of this, and the Government of Alberta's goal to maintain the high quality of Alberta's environment, the Environmental Construction Operations Plan (ECO Plan) framework was implemented in July 2001. An ECO Plan consists of plans and written procedures that address the environmental protection issues relevant to the specific activity being performed, as well as concepts and minimum submission requirements. This framework was developed in consultation with the Consulting Engineers of Alberta, and the Alberta Roadbuilders and Heavy Construction Association, with steering committee representation from Alberta Environment, Environment Canada, and the Ministry of Fisheries and Oceans Canada. All future highway and bridge construction and rehabilitation projects for Alberta Transportation will require an Environmental Construction Operations Plan.

Goal 2: Enhance Transportation Infrastructure Planning and Management

Protect the integrity of highway infrastructure

- Alberta Transportation implemented the new highway maintenance standards for the provincial highway network that were developed in consultation with the Alberta Roadbuilders and Heavy Construction Association (ARHCA) and municipalities. These standards have rationalized the maintenance level of service that is now provided on the combined provincial highway network that consists of the existing primary and secondary highways. All maintenance work required is performed as per Ministry standards. Protecting Alberta's investment in physical infrastructure through appropriate maintenance and upgrading supports the Government of Alberta's goal to ensure Alberta will have effective and efficient infrastructure.

- New maintenance contracts were awarded and work commenced in Calgary, Hanna, Red Deer, Vermilion and Athabasca districts, as well as Deerfoot Trail in the City of Calgary. There will be a 25 – 35 per cent reduction in costs using the new contracts on the expanded highway network with no reduction in level of service.

- The Ministry was successful in winning a Silver Premier's Award of Excellence for the development of the Request for Proposal process and the awarding of the new maintenance contracts.

- On August 23, 2001 the Ministry entered into the second federal-provincial agreement under the Strategic Highway Investment Program. The agreement provides joint funding of $92.4 million over five years for highway improvements in Alberta. The program begins in fiscal year 2002-03.

- Work continued on the three-year primary highway construction and rehabilitation program as tabled in the Legislature in Spring 2001. During the 2001-2002 reporting period, the following key construction projects were undertaken:

    - Highway 9: Delia to west of Highway 855 - reconstruction totaling $7.6 million.

    - Highway 11: west of Highway 596 to east of Highway 2 (67 Street) - completion of four-laning totaling $8.1 million.

    - Highway 36: Highway 16 to south of Highway 631 - completion of reconstruction totaling $6.7 million.

- Highway 49: Highway 725 to west of Spirit River - reconstruction totaling $13.3 million with completion carried over into year 2002.
- Highway 60: Highway 627 to Highway 16A - completion of four-laning totaling $14.5 million.
- Highway 61: west of Highway 36 to east of Highway 36 - reconstruction totaling $2.4 million.
- Highway 63: Athabasca River to Susan Lake Access (Aurora Mine) - grading totaling $7.3 million.
- Highway 11: Bridge structure carrying the eastbound lane of Highway 11 over Highway 2, west of Red Deer - new structure totaling $2.5 million.
- Highway 72: Highway 2 to Rosebud River - reconstruction totaling $8.7 million.
- Highway 88: south of Tall Cree Indian Reserve to south of Jackpine Creek - grading totaling $7.0 million.
- Highway 986: west of Simon Lake to east of Marten River - base and paving totaling $4.3 million.
- Highway 529: Highway 2 to east of Church Road – grading totaling $2.0 million.
- Highway 595: east corporate limits of Red Deer to Highway 808 - reconstruction totaling $6.1 million.
- Highway 619: Highway 897 to Highway 17 - base and paving totaling $3.7 million.
- Highway 629: west of Highway 824 to east of Half Moon Lake Resort - grading, base and paving totaling $3.1 million.
- Highway 750: north of Atikameg to Highway 88 - base and paving totaling $3.3 million.

- Highway 817: north of Strathmore to Highway 564 - reconstruction totaling $2.4 million.
- Highway 864: Bridge structure over Oldman River – completion of replacement totaling $6.8 million.
- Highway 881: north of Cottonwood Creek to north of Roberts Creek - base and paving totaling $3.7 million.

Key provincial rehabilitation projects were also undertaken in 2001 - 2002:

- Highway 1: Medicine Hat east corporate limit to east of Highway 41 (eastbound lane) – totaling $3.1 million.
- Highway 2: south of Highway 11A to Highway 2A interchange (southbound lane) – totaling $2.7 million.
- Highway 2: St. Albert north corporate limit to north of Morinville north bound lane – totaling $3.3 million.
- Highway 2: east of Otauwau River to west of Slave Lake – totaling $3.0 million.
- Highway 2: Highway 35 to west of Berwyn – totaling $3.9 million.
- Highway 2A: Bridge structure over Highway 2 near Morningside – bridge rehabilitation $0.7 million.
- Highway 16: Highway 15 to west of Vegreville (eastbound lane) – totaling $3.3 million.
- Highway 28: Highway 28A to west of Bonnyville – totaling $2.3 million.
- Highway 43: east of DeBolt to west of Valleyview – totaling $5.5 million.
- Highway 43: Bridge structure over Pembina River near Sangudo – bridge painting $0.5 million.

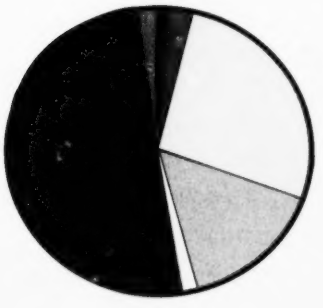
- Highway 56: Highway 564 to south of Highway 10 – totaling $2.8 million.
- Highway 749: High Prairie to north of Heart River – totaling $2.8 million.
- Highway 805: Highway 583 to Highway 587 – totaling $2.2 million.

The total dollars spent on the provincial highway system follow:

Provincial Highways Operating*	$8,903,017
Construction & Improvement of Bridges	$19,856,538
Provincial Highway Construction	$193,794,837
Pavement Rehabilitation	$110,498,439
Bridge Rehabilitation	$8,962,096
North South Trade Corridor	$202,288,245
Provincial Highways Maintenance	$163,397,372
Other Road Infrastructure	$13, 659,756

*Examples of operating include lighting programs, advance right-of-way purchase, geotechnical investigations and gravel prospecting.

2001/02 HIGHWAY SYSTEM EXPENDITURES (Dollars)



Support the Government's Aboriginal Policy Initiative

- Aboriginal content clauses were included in eight transportation and water management contracts undertaken on Aboriginal land in the 2001-02 construction year. This represents a total contract value of $41.7 million. The inclusion of Aboriginal content clauses, where capacity existed, represented a 24 per cent increase over 2000 for projects undertaken on Aboriginal land. This increased collaboration and participation of Aboriginal

people in the Alberta economy supports the Government of Alberta Aboriginal Policy Initiative in its efforts to increase the participation of Aboriginal people in the Alberta economy and in the design and delivery of programs and services.

Facilitate the accessibility of Alberta's transportation system

- Alberta Transportation continued to support the Alberta Advisory Committee on Barrier-Free Transportation by providing expertise to the cities of Edmonton and Calgary on accessible taxi initiatives. The objective is to ensure that funded transportation infrastructure is fully accessible to seniors and persons with disabilities.

- Alberta Transportation and Alberta Government Services worked, in consultation with stakeholders, to develop the new parking placards policy which came into effect November 1, 2001. Individuals with disabilities, and groups who represent them, requested the review. The new policy results from two years of consultations with affected stakeholders, and a careful review of Alberta's parking placards policy, as well as policies in other jurisdictions. The Alberta Advisory Committee on Barrier-Free Transportation found that since 1992, the number of parking placards issued in Alberta had increased from approximately 20,000 to 78,000. As a result, those most needing designated parking often found the spaces used by others whose needs were questionable. The new eligibility criteria are more in line with those found in other jurisdictions, and helps to ensure persons with the greatest needs have access to designated parking.

- Following a successful one-year pilot project, the Alberta Partnership Rest Area Program was launched in September 2001. The program is a province-wide collaborative effort between Alberta Transportation and rural highway businesses to provide designated rest areas along Alberta's highways. Alberta Transportation oversees the program and posts signs guiding travellers to Partnership Rest Areas and indicates these rest areas on the official Alberta road map. Rural highway businesses participating in the program follow the Alberta Transportation rest area guidelines and provide washrooms, parking, picnic tables, and travel information to the public 365 days a year without charge. Businesses are also encouraged to provide barrier-free access to persons with disabilities.

- The Department has been working with the Transportation Association of Canada (TAC) and the Alberta Advisory Committee on Barrier Free Transportation to develop a sign to show the availability of Teletype Telephones (TTYs) for motorists who are hard of hearing or who cannot speak. A new sign has been developed and approved by TAC and installation of these signs will be made at several provincially owned rest stops.

- The Department participated in Transport Canada's "Access to Travel" website which offers information on accessible transportation services across Canada. This website is an evolving resource whose ultimate goal is to provide a "one stop" source of travel information across Canada for people with disabilities. The "Access to Travel" website was modeled in part after the Department's Alberta Inter-Community Public Transportation Guide, which provides information on bus, air, and rail services (including accessibility).

- In collaboration with other levels of government, industry, and the Transportation Association of Canada, Alberta Transportation sponsored a national project on highway guide signage. This will result in more readable signage for an aging population through encouraging the use of larger fonts and symbols.

Participate in climate change initiatives

- Alberta Transportation participated in several projects as part of Climate Change Central and the Clean Air Strategic Alliance. The Ministry also initiated projects to reduce greenhouse gas emissions from government operations and the provincial transportation sector. These projects involved partnerships with Transport Canada, Natural Resources Canada, Alberta Infrastructure, Alberta Environment, Alberta Innovation and Science, Alberta Agriculture, Food and Rural Development, Clean Air Strategic Alliance, Alberta Motor Association and Climate Change Central. Best-in-class leasing policy recommendations were made as a result of performing a detailed analysis of Alberta Government vehicle fleet efficiencies. A fuel efficiency driver-training pilot program using Alberta Transportation drivers was developed and delivered in partnership with the Alberta Motor Association.

Goal 2: Enhance Transportation Infrastructure Planning and Management

Implement the Intelligent Transportation System Strategic Plan

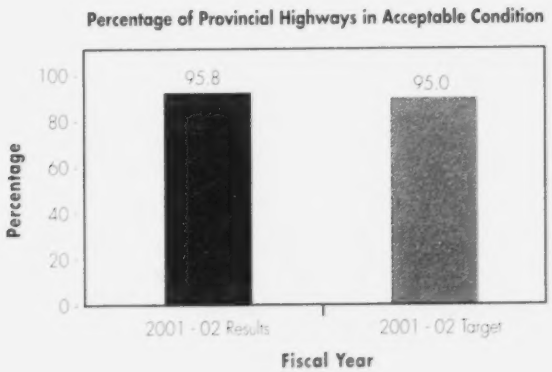
- Intelligent Transportation Systems (ITS) include applications such as advanced systems for traveller information, traffic management, public transport, commercial vehicle operations, emergency response management and vehicle safety. The Ministry participated on national working committees to assess the costs, benefits and feasibility of deploying ITS technologies to improve commercial vehicle operations. As well, a two-day workshop was conducted to promote advancement and development of ITS in Alberta and to introduce the ITS national architecture.

- Terms of reference were developed for an "Advanced Traveller Information and Traffic Management System Blueprint for Highway 2" study. The blueprint will provide a roadmap guiding the Ministry in deploying future intelligent transportation system technologies on Highway 2 between Calgary and Edmonton including sections of Anthony Henday Drive through Edmonton and Deerfoot Trail through Calgary. The system will ultimately provide motorists and road authorities with close to real-time information on traffic and weather conditions, making driving safer and more efficient.

- Physical Condition of Provincial Highways

Through monitoring the physical condition, utilization and functional adequacy of roadways, the Ministry can effectively plan how best to sustain the quality of highways throughout the province. By sustaining pavement quality through regular rehabilitation, the total life cycle cost of the highway systems will be reduced. The International Roughness Index (IRI) is used as an indicator in determining the physical condition of provincial highways.

Results



About the Results

This measure determines the percentage of provincial highways with an IRI of fair or better. It is an indicator of the riding comfort for the travelling public on highways under provincial jurisdiction. A lower IRI rating indicates better pavement condition.

Provincial highways include the primary highways and all secondary highways that have been brought under Ministry direction, control and management. The IRI rating for all highways is obtained through data collected by a private consultant on behalf of the Ministry. Using laser-based equipment, the consultant reports the average IRI level over a 50-metre segment of the highway. This data is then collated and reported by the Ministry.

Previously, the IRI measure was reported as the average IRI for those portions of the Alberta highway network which formed part of the national highway system. As well, the average IRI was reported for all other primary highways. In order to be consistent with the core measures outlined in the Capital Planning Initiative, IRI is now reported as the percentage of the infrastructure that is rated as being in acceptable condition. Under the Capital Planning Initiative, acceptable condition includes any highway in fair or better condition.

- Physical Condition of Provincial Highways

IRI measures the roughness of the highways as an indication of physical condition of a highway according to the following benchmarks used by the United States Federal Highway Administration on standards for interstate and non-interstate highways. Most Alberta highways are comparable to non-interstate highways.

United States Federal Highway Administration Standard

IRI Rating	U.S Interstate	Non-Interstate
Very Good	Less than 0.95	Less than 0.95
Good	0.95 - 1.49	0.95 - 1.49
Fair	1.50 - 1.89	1.50 - 2.69
Poor	1.90 or Greater	2.70 or Greater

Trends Impacting the Measure

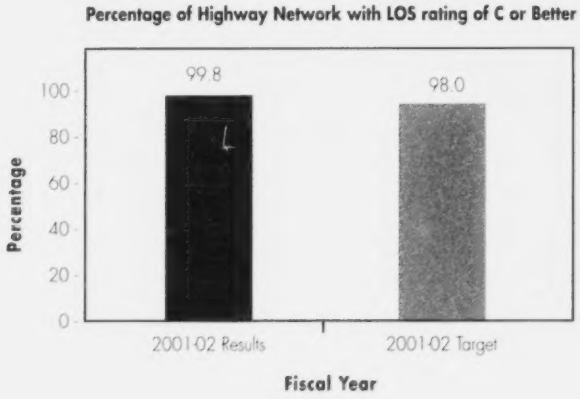
Alberta has had an increase of about 3.5 per cent in registered vehicles over the last year, which translates into more traffic on Alberta's highways. This is due to the increased migration of people into Alberta and communities expanding due to economic growth in the province. People are also travelling further and more often which has a long-term impact on the highway system.

Traffic capacity and vehicle weights are monitored and the data is used in combination with other factors such as the IRI rating and structural integrity, to determine when rehabilitation is needed on a particular highway.

- Utilization of Provincial Highways

Alberta Transportation strives to ensure the safety and efficiency of the provincial highway network. This measure is defined as the percentage of the highway network that is equal to or better than a targeted Level of Service (LOS). If a highway meets or exceeds this targeted level, it is being utilized as planned. The targeted LOS for provincial highways is C.

Results



About the Results

As noted in the above chart, the target for 2001-02 has been exceeded. The LOS calculations are based on the methodology outlined by the United States Transportation Research Board's Highway Capacity Manual. This manual is the international standard for measuring highway capacity. LOS is an international measure based on the ability of traffic to move freely. The scale ranges from A to F, with A representing no restrictions on traffic flow, and F representing a breakdown of flow.

Traffic capacity was calculated using traffic volume data (for peak-hour volumes) collected along the highway network throughout the province. Intersection counts were also performed to determine the types of vehicles using each section of highway. This data was used to calculate traffic capacity ratings for each section of highway as per the 2000 Highway Capacity Manual. Levels of service are defined as follows:

A. Vehicles almost completely unimpeded.
B. Ability to maneuver within traffic is only slightly restricted.
C. Freedom to maneuver within traffic is noticeably restricted.
D. Freedom to maneuver is severely limited.
E. Boundary between levels D and E describes operation at capacity. There are virtually no usable gaps in traffic.
F. There is virtually a breakdown of traffic flow. This is characterized by stop-and-go conditions.

- Utilization of Provincial Highways

As with the physical condition measure, the method of reporting the results has changed from prior years. In 2001, responsibility for secondary highways was transferred from local municipalities to the province. The measure now includes the total provincial network (previously primary and secondary highways).

In addition, this measure has been restated to more closely coincide with the methodologies for the core measures contained within the Capital Planning Initiative. Under the Capital Planning Initiative, utilization is determined as the percentage of physical infrastructure for which utilization level is within targeted capacity. Alberta Transportation has determined that Level of Service C is the targeted capacity level for Alberta highways.

Trends Impacting the Measure

Alberta is experiencing substantial growth year after year in population as well as in the economy. This growth leads to more people travelling Alberta's highways. As the amount of people using our highway system increases, ensuring that goods and people move freely is a priority. Businesses and people want to ensure that their goods are getting to market as quickly as possible. By monitoring the traffic capacity on highways, Alberta Transportation can better plan for future highway upgrading.

- Functional Adequacy of Provincial Highways

This measure determines the percentage of provincial highways that meet target criteria for functional adequacy.

A provincial highway is functionally adequate if the roadway is a standard width, free of road bans, and if the traffic is unrestricted by speed postings due to the geometric design of the roadway. Functional adequacy is a key component in the overall planning and management of provincial highways.

Results

The results indicate that 81 per cent of provincial highways had no width deficiencies, were unrestricted by speed postings and were free from road bans.

About the Results

This is a new measure which was included for the first time in the 2001-04 Business Plan. The measure was developed to meet the recommendations of the Capital Planning Initiative (CPI). Under the CPI, functional adequacy is one of the three core measures to be used in managing owned and supported infrastructure.

Data for the total provincial highway network includes both primary highways and secondary highways which were transferred to the province from the municipalities commencing in 2000.

Road ban information for primary highways is obtained using data from internal sources. The Transport Engineering Branch monitors the need for and issues all road bans on the primary highway system. As road bans are issued, they are entered into an internal database which is updated as road ban status changes for particular highways.

Although the Ministry has taken over responsibility for secondary highways, the transition from the local municipalities was still underway during the 2001-02 reporting period. As a result, assumptions had to be made regarding the road bans on the secondary highway system. During the transition period, the Ministry made recommendations to each of the municipalities with respect to which secondary highways should be banned and to what extent (eg., percentage of road ban). It was then assumed that the municipalities implemented the Ministry's recommendations. This data was also maintained in an internal database as was the case with the primary highway road ban information.

- Functional Adequacy of Provincial Highways

Data on existing road widths is obtained from the Ministry's pavement management system. Using Alberta Transportation's 3R/4R (road resurfacing, rehabilitation, restoration, and reconstruction) Highway Design Guidelines, traffic volumes, and the classification of a particular highway (freeway/expressway, multi-lane arterial, major two-lane, and minor two-lane), the optimum road width for each highway is determined. The actual width and the optimum width are then compared to obtain the results.

Speed postings data for primary highways are contained within an internal database. This data is collected and updated by Ministry staff on an ongoing basis. The data used for this measure was updated in calendar year 2000. For secondary highways, however, detailed information was not available due to the transition from the municipalities not yet being completed. Therefore, speed postings data was estimated by Ministry staff based on the length and classification of the highway. The data compiled excluded reduced speed limits on highways through urban municipalities.

This is a complex measure requiring extensive data collection and extrapolation. With the transition of the secondary highways now complete, data will be more readily available and fewer assumptions will have to be made in determining results in the future. During the next reporting period, this measure will be reevaluated to determine whether it, as presently structured, is an effective tool in measuring the functional adequacy of the provincial highway network.

Trends Impacting the Measure

Rapid population growth throughout Alberta has meant that more development is occurring and urban areas are expanding. Roads that suddenly carry higher amounts of traffic because they are located near, or provide access to, new developments may no longer be rated functionally adequate. The intensified traffic flow may result in congestion and the road being classified as too narrow.

Goal 3: Work with Partners to Provide Quality Transportation, Water Management and Water/Wastewater Infrastructure

Innovative Partnerships **Supporting Municipalities**

Providing Quality Infrastructure

OBJECTIVES:

Continue to provide funding to support municipal transportation and water/wastewater infrastructure

- The Infrastructure Canada/Alberta Program (ICAP), signed October 10, 2000, is a partnership between the federal, provincial and municipal governments that also allows for private sector participation. Over six years, up to $508 million will be directed towards municipal water and wastewater systems; municipal roads, bridges and transit; affordable housing; solid waste disposal and recycling; tourism, cultural or recreation facilities; or projects to improve energy efficiencies of municipal buildings. In 2001-02, nearly $84.1 million was provided for infrastructure projects. The majority of projects address local infrastructure needs identified by municipalities. The Infrastructure Canada/Alberta Program agreement specifies that a minimum 40 per cent of the total value of all approved projects must be invested in "green" municipal infrastructure. The program also provides funding for rural municipal green projects, where projects are currently in the works.

- The Alberta Cities Transportation Partnership provided cost shared funding to Alberta cities, including the fuel tax funding arrangement with Calgary and Edmonton. The other 15 cities (including the urban services areas of Sherwood Park and Fort McMurray) received per capita grants for eligible transportation projects.

- Alberta towns, villages, summer villages and hamlets were provided cost-shared funding for 390 transportation projects in 2001 under the Streets Improvement Program. Examples of projects funded include the Town of Blackfalds Park Street upgrading, Village of Thorsby sidewalk replacement, and Village of Hythe 101 Avenue paving, and Town of Cardston sidewalk, curb and gutter, and paving.

Goal 3: Work with Partners to Provide Quality Transportation, Water Management and Water/Wastewater Infrastructure

- Some 76 rural municipalities and Métis Settlements were provided financial assistance for upgrading of their local roads and bridges. The Ministry also provided special funding, as committed by the Premier's Task Force, to provide a paved access road to each Métis Settlement.

- Cost-shared financial assistance was provided to 121 cities, towns, villages and hamlets, for over 141 new and ongoing municipal water treatment and wastewater treatment projects. In 2001-02, a total of $52 million was provided for eligible projects, which included an additional program budget increase of $17 million to address a back-log of higher priority projects.

Protect the integrity and effectiveness of water management infrastructure

- Construction of the Auxiliary Spillway component of the Little Bow River Project was completed. Construction of the main embankment is two-thirds complete, and the contract was awarded for the service spillway component.

- The $7.4 million South Heart River Project comprising the rehabilitation of the South Heart River Dam and the Winagami Outlet Structure, was substantially completed in 2001-02. This ensures a continued supply of water to the northern Alberta communities of McLennan, Girouxville, Falher and Donnelly.

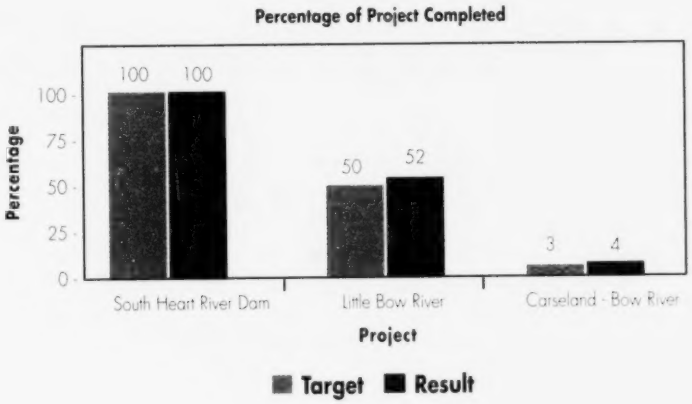
- The East Arrowwood Syphon Rehabilitation and Site Reclamation component of the Carseland-Bow River Headworks Rehabilitation Project was completed in 2001-02. Engineering contracts were awarded for Reach 2 and Reach 3 of the Carseland-Bow River Headworks Main Canal, McGregor Reservoir Structures, and the Travers Reservoir Structures.

- Responsibility for all capital maintenance and improvements to Alberta Environment's water management infrastructure was transferred in April 2001. Design and construction was undertaken on 23 small water management infrastructure projects throughout the province at a total approximate cost of $2.7 million.

- Progress on Completion of Major Water Management Construction Projects

This measure reflects the construction progress on major water management projects. Activities include design, land acquisition (where required) and obtaining regulatory approvals, which precede the construction phase of each project.

Results



About the Results

Alberta Transportation works with Alberta Environment to provide quality water management facilities to ensure a secure water source for municipal, domestic and other purposes. These projects also provide irrigation for towns and farmsteads as well as restoring water levels of lakes within the province. Such projects include major dams and headworks, reservoirs, and canals.

The percentage of completion is determined by dividing the cost incurred to date by the total estimated construction costs for the project.

The results show that the South Heart River Dam project met its target of 100 per cent completion.

The target for the Little Bow River Project was exceeded.

The Ministry exceeded its target of 3 per cent on the Carseland-Bow River Project.

Trends Impacting the Measure

The primary trends that could impact the outcome of this particular measure would be variances in construction costs, weather, and the ability of the contractor to meet the project schedule. Such trends are monitored very closely and adjustments made as needed. For the reporting year, none of these trends have affected the projects within this measure.

Goal 4: Improve Access to Global Markets

	Trucking standards	Air transportation	National Programs and Federal Legislation	Trade corridor development
		Representing Alberta's Interests		

OBJECTIVES:

Develop the North-South Trade Corridor

- Twinning of the North-South Trade Corridor, which runs from the United States border at Coutts to the British Columbia border west of Grande Prairie, was 77.1 per cent completed in the 2001-02 fiscal year, surpassing the original completion target of 73 per cent.

- Work started on an interchange at Grande Prairie, and approximately 40 kilometres of twinning was put into service east of Grande Prairie to east of DeBolt. An additional 40 kilometres of twinning was put into service west of Whitecourt. Major progress was made on the Deerfoot Trail extension as well as the Country Hills Boulevard in Calgary. Preliminary work started on the Anthony Henday/Calgary Trail interchange in Edmonton.

Encourage consistent trucking standards between Canada and the United States

- A series of studies on long combination vehicle (LCV) safety and efficiency and rail efficiency were completed. As a result of the successful pilot, we expanded the number of routes where LCVs are allowed to travel. As well, a number of analyses commenced to evaluate freight traffic flows along the CANAMEX (CANada/America/MEXico) Corridor. This will identify potential logistics cost savings for shipping through the use of LCVs.

- To improve access and reduce costs for transportation of goods along the CANAMEX Corridor, Alberta Transportation developed and delivered presentations to facilitate harmonization of truck weights. Presentations were made to the CANAMEX Corridor Coalition, Western Association of State Highway and Transportation Officials, Pacific NorthWest Economic Region, Montana Alberta Boundary Advisory Council, United States Federal Highway Administration, individual United States state transportation officials and the Alberta Motor Transport Association.

Improve air transportation for both passengers and cargo

- An Alberta Aviation Strategy was developed in partnership with Alberta Economic Development. This strategy includes 20 recommendations and a three-phase inventory of local and regional airports to be partially funded by the Ministry.

Work with other jurisdictions in pursuing national programs and federal legislation to improve transportation of goods

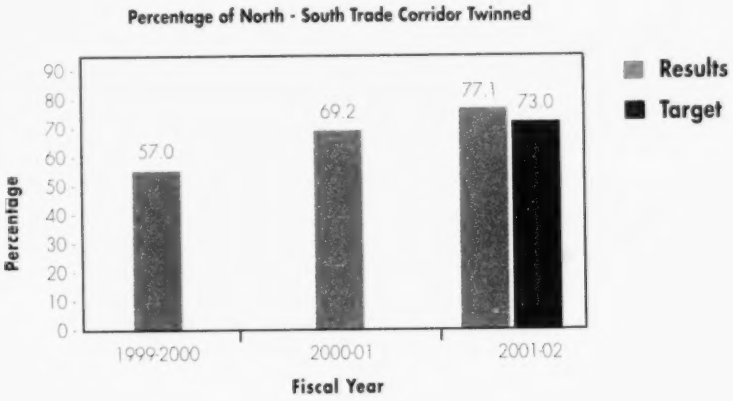
- A federal review of the *Canada Transportation* Act took place during this reporting period. Alberta Transportation participated in the process, providing input on air and rail regulations to ensure the needs of Alberta shippers as well as other economic regulations regarding transportation were brought forward. Consideration was requested for various measures to increase competition by railways and to improve the grain handling and transport system.

- Trends in rural transportation were evaluated by compiling results from the 68 rural road studies undertaken for Municipal Affairs and Alberta Transportation, and by identifying the condition and traffic volumes on key local roads in rural municipalities. A study of truck transportation in the agri-food industry was also completed. This data assists the Ministry in future planning of Alberta's transportation requirements.

- Construction Progress on the North-South Trade Corridor

This measure is a percentage (urban and rural) of the North-South Trade Corridor that is twinned and open to travel. The corridor extends from Coutts at the Alberta-United States border to the British Columbia border east of Grande Prairie, connecting Alberta to the Alaska Highway. It consists of 1,175 kilometres of highway, of which nearly 100 kilometres are within cities. The percentage is calculated by totaling the number of kilometres twinned and open to travel versus the total kilometres of the corridor.

Results



About the Results

Alberta Transportation has completed twinning 77.1 per cent of the North-South Trade Corridor, exceeding its target of 73 per cent. This year, a total of 93.1 kilometres were twinned and opened to travel, for a total of 905.7 kilometres completed to date.

Trends Impacting the Measure

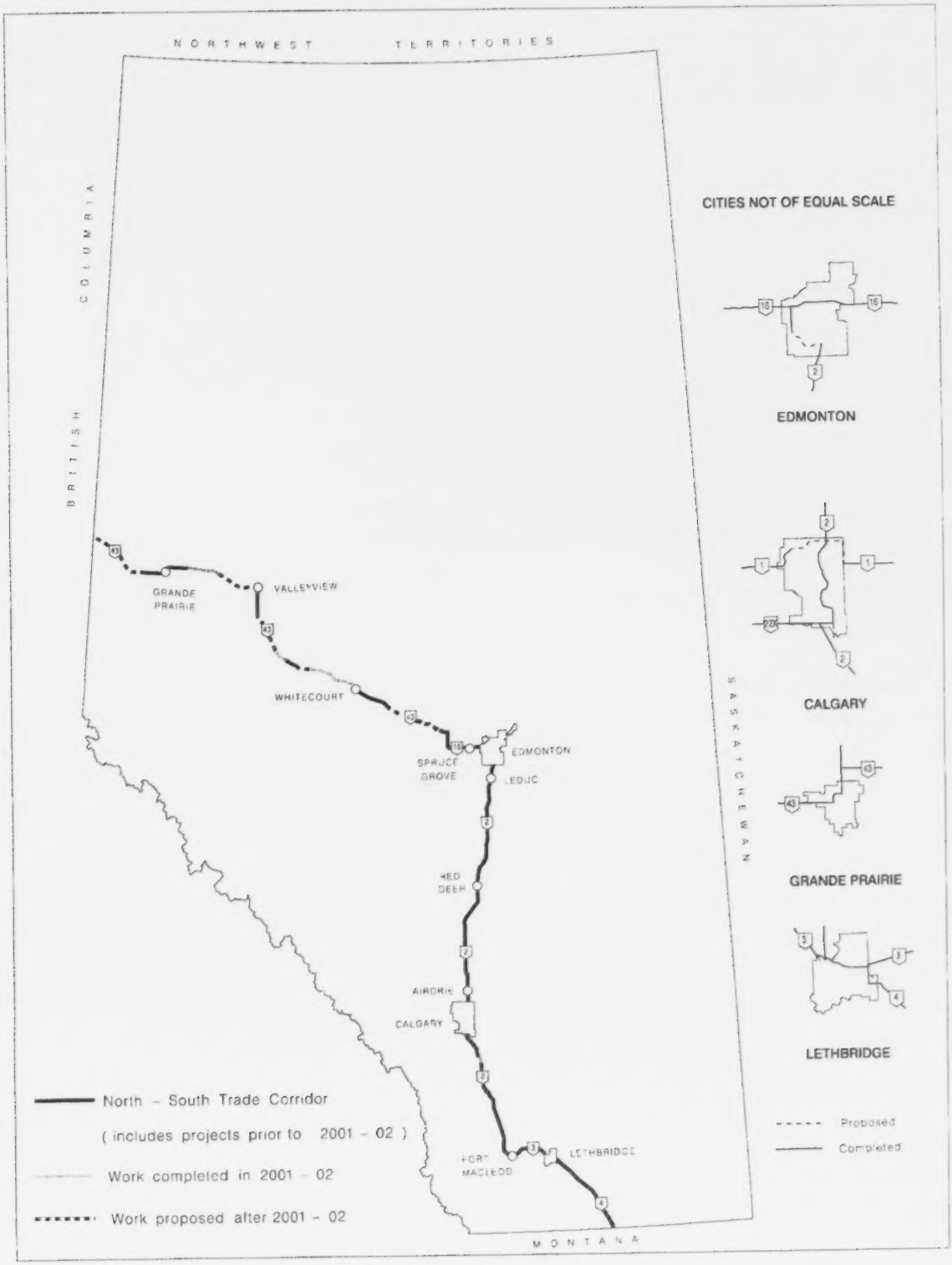
The North-South Trade Corridor forms part of the CANAMEX Corridor which links the three countries and stretches some 6,000 kilometres from Anchorage, Alaska to Mexico City, Mexico. The goals of the CANAMEX Corridor are to improve access for the north-south flow of goods and people; increase transport productivity and reduce transport costs; promote a seamless and efficient inter-modal transport system; and reduce administration and enforcement costs through harmonized regulations.

- Construction Progress on the North - South Trade Corridor

Alberta's North-South Trade Corridor is a key component of the CANAMEX Corridor and is vital to the efficient movement of goods across the Canada-U.S. border at Coutts. Over $2 billion in trade is transported across the Canada/U.S. border every day. Across Western Canada, there are approximately 6,000 north-south truck trips each day. Alberta is Western Canada's largest economy and transports over 80 per cent of its exports to the United States. At the Coutts/Sweetgrass border crossing, truck volumes have increased, on average, 9.1 per cent per annum during the last decade.

In order to continue to enhance Alberta's economic competitiveness, the trucking industry must be able to respond to the demands of the growing economy. Continued economic viability depends largely on Alberta's ability to respond to the demands generated by the opening of new markets, just-in-time manufacturing and retailing, and e-business. Continued twinning of the North-South Trade Corridor will not only enhance safety of the travelling public, but also reduce costs for the trucking industry through time savings.

A significant trend that has impacted the future programming of this major initiative is the changing economic picture that occurred across North America in 2001. Reduced revenues have resulted in reduced funding availability for new construction and therefore the overall completion of the twinning of the corridor has been extended to 2011, subject to future funding availability (see 2002-05 Business Plan).


NORTHWEST TERRITORIES
BRITISH COLUMBIA
SASKATCHEWAN
MONTANA
GRANDE PRAIRIE
VALLEYVIEW
WHITECOURT
SPRUCE GROVE
EDMONTON
LEDUC
RED DEER
AIRDRIE
CALGARY
FORT MACLEOD
LETHBRIDGE
CITIES NOT OF EQUAL SCALE
EDMONTON
CALGARY
GRANDE PRAIRIE
LETHBRIDGE
North - South Trade Corridor
(includes projects prior to 2001 - 02)
Work completed in 2001 - 02
Work proposed after 2001 - 02
Proposed
Completed

Goal 5: Create a Value-Added Organization

Leadership Orientation Wellness Employee Awards Client Satisfaction

Continuous Improvement

OBJECTIVE:

Build a workforce that can meet or exceed the challenges outlined in the Business Plan and support overall Government goals and programs

- This past year effectively established a new and separate Transportation Ministry. Additional responsibilities consolidated under the new Ministry include the transfer of roads and bridges in provincial parks and wilderness areas from Community Development. As well, the transfer of maintenance and rehabilitation responsibility for bridges over irrigation canals from Alberta Environment commenced, with completion of an inventory of assets, and a Memorandum of Understanding. Responsibility for secondary highways also transferred to the Ministry from municipalities. To provide a forum for review of current and new Ministry programs, a meeting of ministerial managers was held in October 2001. This provided an opportunity for dialogue and discussion of long-term ministerial objectives.

- Alberta Transportation continued to work in partnership with Alberta Infrastructure to achieve efficiencies through sharing Corporate Services Division staff. Shared functions include finance, human resources, information technology, and business management.

- The quality of Alberta Transportation's Inspection Services received recognition by way of being the first province-wide agency in Canada to be granted the Commission on Accreditation for Law Enforcement Agencies (CALEA) accreditation. The Commission noted that the Ministry inspection staff took extraordinary steps to demonstrate their professionalism and pride in delivering quality services to the community.

Update and implement the Human Resource Plan

- Strategies for Success, the 2001 – 2004 Human Resource Plan for Alberta Transportation was developed to reflect the newly formed Ministry of Transportation. This plan ensures that the Ministry is organized to meet the goals in their new business plan, while providing a comprehensive human resource framework for how the Ministry can best align people with the business purpose. The critical human resource issues that face the Ministry and the public service were also addressed, as well as continued

implementation of the Corporate Human Resource Development Strategy outlined in the Government of Alberta Business Plan. Strategies for Success will allow the Ministry to design and prioritize human resource initiatives to ensure the greatest long-term return on human resource investments.

- A revised Leadership Continuity Strategy was developed for all Management levels as well as senior professional positions to secure the continuity of critical functions. As well, a competency model was developed for management classifications.

- An Orientation Program for new staff was launched. This initiative helps new employees become familiar with the Ministry, its organization, how the work they do fits into the goals and business plan, and their accountabilities. Employees are also provided with information on employee benefits and the Occupational Health and Safety program. Meeting these program objectives will help ensure a responsive workplace now and in the future.

- Participation in the Transportation Infrastructure Career Development Program (TICDP) continued in partnership with the Alberta Roadbuilders and Heavy Construction Association and the Consulting Engineers of Alberta. Fifteen students participated in the program during the 2001-02 fiscal year.

- The Transportation and Civil Engineering Division started the Mentoring Program which, during its initial year, provided short duration (3 to 5 days) on-the-job work experience for 35 divisional staff with contractors or consultants. This division also instituted a Professional Rotation Opportunity Program (PROP) which provides employees the opportunity to gain exposure to work undertaken in other areas of the division. Participation also provides staff with the opportunity to diversify their knowledge base to other areas.

- A third annual employee Work Climate Survey was conducted in October 2001. The results show that Transportation employees generally like their jobs and value their relationships with co-workers. Areas that showed the greatest improvement over prior surveys were employee knowledge of and involvement in business planning goals and objectives, clarity of

performance expectations, and organizational support for decision making. As a result of the Work Climate Survey undertaken in 2000, the Ministry implemented an Effective Self Manager Certificate Training Program, enhanced communication of Ministry issues, and additional recognition awards.

- The Rewards and Recognition Committee, a shared initiative of Alberta Transportation and Alberta Infrastructure, introduced four new employee award programs. The Team Works Award provides recognition for "project teams." Employees or teams who create or adapt a process, technique, product or service that yields measurable results in terms of efficiency, effectiveness or improved service are eligible for the Innovation Award. The Acclaim Award can be used by supervisors and managers to provide immediate recognition to employees who have demonstrated service excellence above the requirements of their job. For employees or teams who use their initiative and creativity to put forward an idea that could potentially result in cost savings; streamlined processes; increased efficiency; enhanced working environment, service, safety, staff effectiveness; or improved customer service, there is the Bright Ideas Award.

- The ongoing efforts of the Wellness at Work Team provided opportunities for staff involvement in various activities important in promoting wellness and improving the quality of working life for employees. This team of Transportation and Infrastructure staff organized wellness events such as blood pressure and blood donor clinics, provision of flu shots and noon-hour aerobics classes.

Provide top-quality programs and services to clients

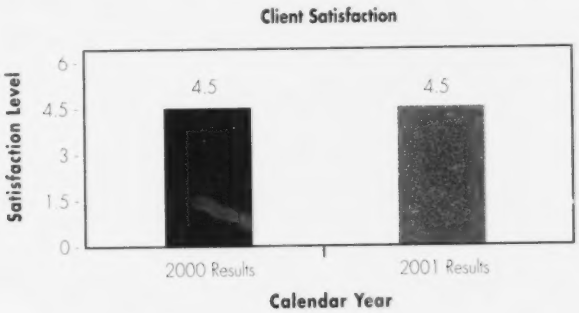
- Developed and implemented the second annual Client Satisfaction Survey which was delivered by direct mail to 2,698 clients in January of 2002. Results of the survey are reported in the performance measures section. Based on survey results from the previous year, Alberta Transportation implemented a number of initiatives to enhance and simplify processes including the new Transportation Routing and Vehicle Information System (TRAVIS) permit system for over-weight and over-dimension loads. There has also been increased utilization of the Alberta Transportation and Saferoads.com websites to provide in-depth information to Albertans and stakeholders.

- Client Satisfaction Survey

Alberta Transportation strives to foster an organization where clients enjoy doing business with the department. In order to measure the satisfaction of clients with the services provided by the department, a Client Satisfaction Survey is conducted on an annual calendar year basis. The survey is undertaken by a private consultant on behalf of the Ministry. This ensures the confidentiality of the individual results. The information received from the survey is used to enhance the services that are delivered.

This measure provides an overall indication of our clients' satisfaction with the services provided by Ministry staff.

Results



About the Results

Client satisfaction is measured according to a six-point scale where 1 represents very unsatisfied and 6 is very satisfied. Clients rated Alberta Transportation at 4.5, which falls between somewhat satisfied and satisfied. The results represent the average rating for overall quality of service for the key department service areas combined. On average, the results are accurate within ± 0.2, 95 per cent of the time.

The results for the 2000 survey were combined with Alberta Infrastructure for a total score of 4.4. Following the formation of the ministries of Infrastructure and Transportation in the spring of 2001, the results from the prior year's survey were separated into two reports to enable the Ministry to compare the results from year to year. The results for Alberta Transportation were 4.5.

The 2001 survey was delivered to 2,698 clients. Clients are defined as organizations that interact directly with Alberta Transportation. The general public, and indirect clients who received services through a third-party provider, are not included in the survey due to their limited direct interaction with the Ministry. There were a total of 760 surveys completed and returned for a response rate of 28.2 per cent.

- Client Satisfaction Survey

The respondents were asked to rate the Ministry on eight key service areas for:

- Clarity of written materials
- Ease of access to information
- Ease of access to services
- Consistency of services
- Timeliness of service delivery
- Proficiency of staff
- Courtesy of staff
- Overall quality of service

The results and the information provided by the survey is considered by the Ministry in strategic planning to address/improve the satisfaction of clients in the future. The Ministry's commitment to providing quality service to our clients is illustrated by outstanding results for proficiency and courtesy of staff, where the Ministry scored 4.6 and 4.8 respectively. Given that this measure was under development when the 2001-04 Business Plan was tabled, no targets were established at that time.

Trends Impacting the Measure

Client satisfaction ratings can be impacted by the last interaction a client may have had with the Ministry. In 2001-2002, due to the fiscal realities of decreased government revenues, tough decisions had to be made quickly respecting the deferral of projects and the reductions to grant funding to municipalities. Alberta Transportation will continue to make every effort to ensure that clients are apprised of program, policy and legislative changes in a proactive manner.

Refocusing the Transportation Safety Board

Driver Control Board **Motor Transport Board**

Transportation Safety Board

OBJECTIVES:

Refocusing of the Transportation Safety Board

- The organization and reporting structure of the Driver Control Board and Motor Transport Board were reviewed in 2001. The impacts of several factors, including introduction of the Alberta Administrative License Suspension program, which provided an appeal mechanism through the Driver Control Board, and implementation of the new *Traffic Safety Act* as well as the *Railway (Alberta) Act* will substantially increase the work of the Board. The new Transportation Safety Board will come into effect once the *Traffic Safety Act* receives proclamation, and will have the additional responsibilities of appeals relating to graduated driver licenses, commercial vehicle safety fitness certificates, administrative penalties, driving schools, driver examiners, vehicle inspection stations, vehicle inspection mechanics, etc. The Transportation Safety Board will also be responsible for hearing appeals against the decision of the Railway Administrator.

- The Chair's and the Board's role and function are separate from those of the Ministry of Transportation. The Boards are comprised of a cross-section of Albertans selected through a public recruitment process. These Boards report directly to the Minister of Transportation through the new Chair appointed January 2, 2002.

- Both the Driver Control Board and the Motor Transport Board have signed Memorandums of Understanding with the Minister of Transportation detailing and clarifying the government's expectations around the roles, responsibilities, duties, functions, standards of care, policy direction and performance for each of the Boards.

Driver Control Board

- The Driver Control Board contributed to the Ministry's Goal 1 – Improve Transportation Safety. During 2001-02, the Board provided 7,445 independent assessments for drivers deemed to have contravened provincial road safety regulations and related Canadian Criminal Code offences who were applying to have their suspended licenses reinstated. Conducting reviews and appeals concerning the licensing privileges and conduct of drivers ensures that proper standards are consistently applied in the interests of public safety.

Motor Transport Board

- The Motor Transport Board also contributed to the Ministry's Goal 1 – Improve Transportation Safety, through monitoring the safety of the motor carrier industry with a focus on carrier, driver and equipment deficiencies that could lead to collisions and injuries. The Board heard 9,435 cases with respect to commercial carriers, concerning the safety fitness and operating authority. The hearing process ensures that reasonable standards are consistently applied in the interest of public safety and economic viability of the industry.

Additional Achievements

The Goals Analysis portion of this report provides information on many of the Ministry's achievements. In addition to those already reported, Alberta Transportation has:

Premier's Award of Excellence

- Received a Premier's Award of Excellence – Bronze for the Alberta Administrative License Suspension Program, which was implemented in 1999. The development of the program was a joint effort between Alberta Government Services, Solicitor General, Justice and law enforcement agencies.

Silver award Recognizing Public-Private Partnerships

- Received a *Silver* award from the Canadian Council for Public-Private Partnerships. This award recognized the effective partnership between the Ministry, highway maintenance contractors and the Alberta Roadbuilders and Heavy Construction Association, for the efficient maintenance undertaken on Alberta's highways.

Bicycle Helmets

- Provided significant input and support to Yvonne Fritz, MLA, with respect to the development for Private Members' Bill 208 – Wearing of Bicycle Helmets. This led to the successful passage of the Bill during the Fall 2001 session. As of May 1, 2002, all cyclists under age 18 in Alberta will be required to wear approved helmets while cycling.

Public Affairs Bureau Service Excellence Award

- Received a Public Affairs Bureau Service Excellence Award for communications services provided to the Institute of Public Administration of Canada (IPAC) annual conference. With Ministry support, Communications chaired a team of Alberta Government employees in developing and implementing a communications strategy.

Gold ACE Awards for "It's Collision Prime Time"

- The Alberta Transportation "It's Collision Prime Time" series of radio advertisements received two Gold ACE Awards in February 2002 at the Advertising Club of Edmonton's annual show. The first award was for *Creative Excellence - Radio Series*. Judging for creative awards is based on overall concept, appropriateness of the chosen medium, how effectively the ad delivers the intended message to the target audience, the quality of the writing and general production values. The second award was for *Production Excellence - Radio*. The production awards judging is based on excellence for the particular medium and the contribution the producer has made to the overall quality of the execution.

Additional Achievements

Review of delivery processes for Alberta's road asset

- Commissioned Opus International Consultants Ltd. (Opus), a New Zealand consulting company, to undertake a review of Alberta Transportation's delivery processes for design, construction administration and maintenance of the Alberta road asset. Opus found that the highways in the province of Alberta were of an excellent standard, that the Ministry extensively involves industry, including contractors, consultants, and insurance and bonding agencies in developing procurement strategies. The development of the Transportation/Infrastructure Management System was found to be a major asset in providing consistent data for the Ministry to use, while the consistency in evaluating tenders and the openness/flexibility in the tendering process have also helped develop confidence in the Ministry and its management of contracts.

Strategic Highway Investment Plan

- Developed a Future Highway Needs plan, which identified long-term (up to 10 years) improvements, preservation and grant needs for Alberta's provincial highway network. The plan also identified need for new corridor development and expansion of the existing network to support Alberta's economic growth. The plan was presented to Standing Policy Committee as part of the Ministry's 2002-05 Business Plan review.

Financial Analysis

In 2001-02, Alberta Transportation received $1.543 billion in budget approval.

In October 2001, as part of the Alberta Government's fiscal and economic update, the Ministry was asked to reduce the budget in response to the global economic slowdown. For 2001-02, Transportation's budget was reduced to a revised target of $1.408 billion. The Ministry incurred just under $1.408 billion in total expenditures in 2001-02, about $150,000 lower than the revised budget target.

In view of the changes which took place last year, Transportation has met the revised 2001-02 financial targets approved for the Ministry.

As part of its economic adjustment last October, Transportation deferred nearly $290 million. Of this total, $280 million came from the department's capital programs and nearly $10 million from the operational budget. This resulted in a deferral of highway construction projects and a reduction in municipal capital grants on an equitable basis by 15 per cent. Further, Transportation reduced other discretionary spending in response to the hiring freeze announced by the Alberta Government last fall.

However, due to better-than-expected fourth quarter revenues, subsequent additional funding of $155 million was made available to restore grant funding to the levels recommended by the Premier's Task Force.

Despite a net total of $135 million in deferrals, the government experienced a record level of spending in a single construction season. Approximately $570 million in highway construction and rehabilitation was completed across Alberta.

Expense by Core Business

Ministry Expense by Core Business
Transportation
(thousands of dollars)

	2001-02 Budget	2001-02 Actual	2000-01 Actual
EXPENSE			
Core Business			
Road, Driver and Vehicle Safety Improvements	29,748	33,251	28,934
Road Infrastructure	651,900	576,442	526,156
Municipal and Other Infrastructure	378,500	316,129	328,905
MINISTRY EXPENSE	1,060,148	925,822	883,995
CAPITAL INVESTMENT			
Core Business			
Road, Driver and Vehicle Safety Improvements	3,313	5,245	4,273
Road Infrastructure	473,395	470,553	348,358
Municipal and Other Infrastructure	5,772	5,947	4,288
MINISTRY CAPITAL INVESTMENT	482,480	481,745	356,919

2001 - 2002
MINISTRY OF TRANSPORTATION

FINANCIAL STATEMENTS

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Auditor's Report

AUDITOR GENERAL *Alberta*

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Transportation as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Ministry is required to follow the corporate government accounting policies and reporting practices established by Alberta Finance, including the following policy that is an exception from Canadian generally accepted accounting principles. The Ministry reports the costs of site restoration in the period in which the restoration work is performed rather than in the periods in which the liabilities arise. In my opinion, the Ministry should estimate the cost and record the liability for sites that do not meet the acceptable contractual or environmental standards. The estimate of the liability should be refined each year, as the extent of required restoration work becomes known. The effect of this departure from Canadian generally accepted accounting principles is significant.

In my opinion, except for the effects of the matter discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Ministry of Transportation as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn CA

Auditor General

Edmonton, Alberta
May 23, 2002

Ministry of Transportation
Statement of Operations
Year ended March 31, 2002

(in thousands)

	2002 Budget (Schedule 3)	2002 Actual	2001 Actual
Revenues (Schedule 1)			
Transfer from Lottery Fund	$ 70,000	$ 70,000	$ 20,000
Transfers from Government of Canada	451	246	588
Fees, Permits and Licenses	14,270	15,459	16,264
Other Revenue			
Refunds of Expenditures	2,600	2,378	995
Miscellaneous	785	2,609	2,475
	88,106	90,692	40,322
Expenses - Directly Incurred (Note 2b and Schedule 7)			
Voted (Schedules 2 and 4)			
Ministry Support Services	13,960	22,167	18,901
Construction, Upgrading and Operation of Infrastructure	1,046,188	903,759	864,295
	1,060,148	925,926	883,196
Valuation Adjustments			
Increase (Decrease) in Provision for Doubtful Accounts	-	44	(92)
Increase (Decrease) in Provision for Vacation Pay	-	(148)	891
	-	(104)	799
	1,060,148	925,822	883,995
Loss on Disposal of Capital Assets	-	6,932	67
Net Operating Results	$ (972,042)	$ (842,062)	$ (843,740)

The accompanying notes and schedules are part of these financial statements.

Ministry of Transportation
Statement of Financial Position
As at March 31, 2002

	(in thousands) 2002	2001
ASSETS		
Cash	$ 237	$ 4
Accounts Receivable (Note 5)	4,568	6,642
Advances (Note 6)	138	124
Inventories (Note 7)	9,243	5,958
Capital Assets (Note 8)	6,526,119	4,410,310
	$ 6,540,305	$ 4,423,038
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 80,833	$ 47,062
Holdbacks Payable	13,944	11,012
	94,777	58,074
NET ASSETS		
Net Assets at Beginning of Year	4,364,964	3,585,498
Net Operating Results	(842,062)	(843,740)
Acquisition of Highways and Bridges (Note 9)	1,829,739	586,973
Net Transfer from General Revenues	1,092,887	1,036,233
Net Assets at End of Year	6,445,528	4,364,964
	$ 6,540,305	$ 4,423,038

The accompanying notes and schedules are part of these financial statements.

Ministry of Transportation
Statement of Changes in Financial Position
Year ended March 31, 2002

	(in thousands) 2002	2001
Operating Transactions		
Net Operating Results	$ (842,062)	$ (843,740)
Non-cash Items:		
Amortization	160,362	116,408
Loss on Disposal of Capital Assets	6,932	67
Non-Cash Adjustment	(668)	6,174
Consumption of Inventories	13,339	10,397
Valuation Adjustments	(104)	799
	(662,201)	(709,895)
Decrease in Accounts Receivable	2,030	9,329
(Increase) Decrease in Advances	(14)	20
Increase in Holdbacks Payable	2,932	4,836
Increase in Accounts Payable and Accrued Liabilities	33,919	9,010
Cash (Used) by Operating Transactions	(623,334)	(686,700)
Investing Transactions		
Purchase of Capital Assets (Schedule 4)	(465,873)	(347,185)
Purchase of Inventories (Schedule 4)	(15,872)	(9,733)
Transfer of Assets to Other Government Entities (Schedule 6)	12,382	-
Proceeds from Disposal of Capital Assets	43	1,055
Cash (Used) by Investing Transactions	(469,320)	(355,863)
Financing Transactions		
Net Transfer from General Revenues	1,092,887	1,036,233
Net Cash Provided (Used)	233	(6,330)
Cash, Beginning of Year	4	6,334
Cash, End of Year	$ 237	$ 4

The accompanying notes and schedules are part of these financial statements.

Ministry of Transportation
Notes to the Financial Statements
Year ended March 31, 2002

NOTE 1 AUTHORITY AND PURPOSE

The Ministry of Transportation operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.

The Minister is responsible for:

- the development, construction and maintenance of an integrated transportation system to facilitate the safe and efficient movement of people and products and the economic development of the Province;
- assisting in the provision of municipal water supply and waste water facilities;
- administering and providing funding for the Infrastructure Canada-Alberta Program which funds a wide variety of municipal infrastructure projects; and
- Water Management Infrastructure.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Ministry of Transportation which consists of the Department of Transportation for which the Minister of Transportation is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer to/from General Revenues is the difference between all cash receipts and all cash disbursements made.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry had primary responsibility and accountability for, as reflected in the Government's budget documents.

Directly incurred expenses include:

- amortization of capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- government transfers which are transfers of money to an individual, an organization or another government for which the Ministry does not receive any goods or services directly in return. They are often referred to as grants. Expenses are recognized as follows:
  - entitlements, which are non-discretionary because the amounts and recipients are prescribed, are recognized when eligibility occurs;
  - transfers under shared cost agreements, which are reimbursements of eligible expenditures, are recognized when the expenditures occur; and
  - grants, which are transfers made at the discretion of government, are recognized when payment is authorized.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 7.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Inventories are valued at lower of cost or replacement cost.

Assets acquired by right are not included. Capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. All land is capitalized.

Capital assets of the Ministry include work in progress for buildings, computer hardware and software, highways and bridges. These costs are capitalized but not amortized until the asset is in service.

Donated capital assets are recorded at their fair value at the time of contribution.

When physical assets (capital assets and inventories) are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these physical assets, less any nominal proceeds, are recorded as grants in kind.

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the value of assets held by the Ministry and its liabilities.

Site Restoration

Certain liabilities may exist for site restoration and contamination which may be the responsibility of the Ministry but are not quantified. The potential costs relate to restoring building and other sites to acceptable contractual or environmental standards. Costs for site restoration are recognized in the financial statements when work is undertaken. No annual provision is made for future site restoration.

NOTE 3 GOVERNMENT RESTRUCTURING

As a result of government restructuring announced on March 15, 2001, the Ministry of Transportation was established.

Comparative numbers for 2001 are presented as if the Ministry of Transportation had been in existence on April 1, 2000 and throughout the two-year period covered by these financial statements.

Transfer from the Ministry of Infrastructure	$ 3,585,498
Net assets, as at April 1, 2000	$ 3,585,498

NOTE 4 VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable, accrued liabilities, and holdbacks are estimated to approximate their book values.

NOTE 5 ACCOUNTS RECEIVABLE

(in thousands)

	2002			2001
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	$ 4,736	$ 168	$ 4,568	$ 6,642

Accounts receivable are unsecured and non-interest bearing.

NOTE 6 ADVANCES

(in thousands)

	2002			2001
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Travel advances (1)	$ 138	$ -	$ 138	$ 124

(1) The Ministry has used funds advanced by Alberta Finance to provide travel advances.

NOTE 7 INVENTORIES

(in thousands)

Inventories consist of consumables for the delivery of highway transportation programs.

	2002	2001
Sand, salt and gravel	$ 9,243	$ 5,958

NOTE 8 CAPITAL ASSETS

(in thousands)

The cost of assets and the related accumulated amortization for the Ministry are summarized below.

		2002			2001
	Estimated Useful Life	Cost (2)	Accumulated Amortization	Net Book Value	Net Book Value
Land	Indefinite	$ 306,414	$ -	$ 306,414	$ 281,603
Buildings	40 years	16,908	5,754	11,154	10,810
Equipment	5-10 years	10,043	4,994	5,049	4,399
Computer hardware and software	3-10 years	51,217	20,168	31,049	22,827
Provincial highways and roads (1)	50 years	7,294,835	1,856,730	5,438,105	3,488,606
Bridges	50 years	745,457	177,531	567,926	449,993
Dams and water management structures (3)		166,422	-	166,422	152,072
		$ 8,591,296	$ 2,065,177	$ 6,526,119	$ 4,410,310

(1) Highways include original pavement, roadbed, drainage works, and traffic control devices.

(2) Included in the cost of buildings, computer hardware and software, Provincial Highways, roads, bridges, and dams and water management structures is work in progress amounting to $240,515 (2001 - $187,349).

(3) Dams and water management structures are constructed by the Ministry and transferred to the Department of Environment upon their completion. The Ministry of Transportation does not amortize these assets.

NOTE 9 ACQUISITION OF SECONDARY HIGHWAYS AND CERTAIN ARTERIAL ROADWAYS IN CITIES

(in thousands)

On September 7, 1999, the government announced a new transportation plan which includes significant changes in responsibility for highways in the Province. Effective April 1, 2000 the Ministry assumed responsibility for the construction and maintenance of secondary highways in the province plus key arterial roadways within the cities of Calgary, Edmonton, Fort McMurray, Medicine Hat, Lethbridge, and Grande Prairie. The transfer of assets is recorded when they are turned over to the Province to manage their maintenance.

The Ministry recorded the acquisitions as an adjustment to net assets. The Ministry valued the assets at an amortized estimated historical cost.

The arterial roadways in the cities were valued based on the department's records of actual project costs which were supported by grant payments to the cities in the period 1977 to 2000. The cost of projects completed prior to 1977 were estimated at a percentage of the total costs incurred after that year.

The secondary highways were valued at their current replacement cost and de-escalated to their year of construction using a Statistics Canada construction cost index. The bridges were valued based on the department's actual costs of constructing similar bridges on the primary highways system over the past 50 years.

The estimated value of highway and bridge assets acquired in 2002 is as follows:

	Highways	Bridges	Total
Adjustment in Value of Arterial Roadways in Cities (acquired in fiscal 2001)	$ 23,120	$ 233	$ 23,353
Secondary Highways and Bridges	1,722,282	84,104	1,806,386
	$ 1,745,402	$ 84,337	$ 1,829,739

The value of the arterial roadways in cities, which were acquired in fiscal 2001, was adjusted in fiscal 2002 as more complete information became available.

NOTE 10 COMMITMENTS

(in thousands)

As at March 31, 2002, the Ministry had the following commitments:

	2002	2001
Commitments for Capital Investment		
Construction and Service Agreements	$ 200,042	$ 163,389
Purchase of Assets	4,387	-
	204,429	163,389
Commitments for Operating Expense		
Contracts and Agreements	209,996	480,737
Grants	76,571	139,582
	286,567	620,319
Total Operating and Capital Investment	$ 490,996	$ 783,708

The aggregate amounts payable for the unexpired terms of these commitments are as follows:

	2003	2004	2005	2006	Thereafter	Total
Capital Investment	$ 158,719	$ 28,120	$ 9,999	$ 6,929	$ 662	$ 204,429
Operating Expense:						
Contracts & Agreements	76,899	39,977	39,534	39,526	14,060	209,996
Grants	76,571	-	-	-	-	76,571
Total	$ 312,189	$ 68,097	$ 49,533	$ 46,455	$ 14,722	$ 490,996

NOTE 11 CONTINGENCIES

(in thousands)

At March 31, 2002, the Ministry is a defendant in 141 legal claims (2001 - 157 legal claims). 107 of these claims have specified amounts totaling $282,643 and the remaining 34 have not specified any amount (2001 - 118 claims with a specified amount of $280,894 and 39 with no specified amount). Included in the total legal claims are 3 claims in which the Ministry has been jointly named with other entities, 3 of which have specified claims amounting to $207,500. Sixty-four claims amounting to $ 49,267 are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 12 TRUST FUNDS UNDER ADMINISTRATION

(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

As at March 31, 2002, the Ministry had under administration the Impaired Driving Initiatives Trust Fund with a balance of $5 (2001-$5).

NOTE 13 PAYMENTS UNDER AGREEMENT

(in thousands)

The Ministry has entered into agreements to deliver programs and services that are partly funded by the Government of Canada. Costs incurred under these agreements are made by the Ministry under authority of the Financial Administration Act, Section 25. Amounts paid and payable under agreements with program sponsors are as follows:

	2002	2001
Government of Canada (program sponsor)		
National Infrastructure Program	$ -	$ 285
Infrastructure Canada - Alberta Program	3,456	-
Improvement District # 5 (program sponsor)		
Kananaskis Improvement District roadway maintenance	73	73
	$ 3,529	$ 358

NOTE 14 DEFINED BENEFIT PLANS

(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense of these pension plans is equivalent to the annual contributions of $2,612 for the year ended March 31, 2002 (2001 - $2,389).

At December 31, 2001, the Management Employees Pension Plan reported a surplus of $5,338 (2000 - $170,858) and the Public Service Pension Plan reported a surplus of $320,487 (2000 -$635,084). At December 31, 2001, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $399 (2000 - surplus $180).

NOTE 14 DEFINED BENEFIT PLANS (continued)

(in thousands)

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2002, the Bargaining Unit Plan reported an actuarial deficiency of $8,646 (2001 - $12,710) and the Management, Opted Out and Excluded Plan an actuarial deficiency of $2,656 (2001 - $4,583). The expense for these two plans is limited to employer's annual contribution for the year.

NOTE 15 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Ministry of Transportation
Schedule to the Financial Statements
Revenues

Year ended March 31, 2002

Schedule 1

(in thousands)

	2002		2001
	Budget	Actual	Actual
Internal Government Transfers			
Transfer from Lottery Fund	$ 70,000	$ 70,000	$ 20,000
Transfers from the Government of Canada			
Cost Recoveries and Contributions	451	246	588
Fees, Permits and Licenses			
Motor Transport Services	14,270	15,246	16,048
Other	-	213	216
	14,270	15,459	16,264
Other Revenue			
Refunds of Expenditure			
Previous Years' Refunds	2,600	2,133	799
Railway Relocations	-	245	196
	2,600	2,378	995
Miscellaneous			
Cost Recoveries	-	1,636	1,022
Other	785	973	1,453
	785	2,609	2,475
	$ 88,106	$ 90,692	$ 40,322

Ministry of Transportation
Schedule to the Financial Statements
Expenses - Directly Incurred Detailed by Object

Year ended March 31, 2002

Schedule 2

(in thousands)

	2002		2001
	Budget	Actual	Actual
Voted			
Salaries, Wages and Employee Benefits	$ 46,410	$ 47,289	$ 43,607
Supplies and Services	355,837	304,611	356,250
Grants	493,910	400,258	356,499
Financial Transactions and Other	51	67	35
Amortization of Assets	163,940	173,701	126,805
Total Voted Expenses	$ 1,060,148	$ 925,926	$ 883,196

Ministry of Transportation
Schedule to the Financial Statements
Budget

Year ended March 31, 2002

Schedule 3

(in thousands)

	2001-2002 Estimates	Authorized Supplementary	2001-2002 Authorized Budget
Revenues			
Transfer from Alberta Lottery Fund	$ 70,000	$ -	$ 70,000
Transfers from Government of Canada	451	-	451
Fees, Permits and Licenses	14,270	-	14,270
Other Revenue	3,385	-	3,385
	88,106	-	88,106
Expenses - Directly Incurred			
Voted Expenses			
Ministry Support Services	13,960	-	13,960
Construction, Upgrading and Operation of Infrastructure	1,046,188	-	1,046,188
	1,060,148	-	1,060,148
Statutory Expenses			
Valuation Adjustments			
Provision for Doubtful Accounts	-	-	-
Provision for Vacation Pay	-	-	-
	-	-	-
	1,060,148	-	1,060,148
Net Operating Results	$ (972,042)	$ -	$ (972,042)
Capital Investment	$ 482,480	$ -	$ 482,480

Ministry of Transportation

Schedule to the Financial Statements
Comparison of Expenses - Directly Incurred and Capital Investments by Element to Authorized Budget

Year ended March 31, 2002

Schedule 4

(in thousands)

	2001-2002				
	Estimates	Authorized Supplementary	Authorized Budget	Actual Expense (a)	Unexpended (Over Expended)
Voted Expenses and Capital Investment					
Ministry Support Services					
1.0.1 Minister's Office	$ 385	$ -	$ 385	$ 326	$ 59
1.0.2 Deputy Minister's Office	385	-	385	386	(1)
1.0.3 Ministry Support Services					
- Operating Expense	13,190	-	13,190	21,455	(8,265)
- Capital Investment	5,907	-	5,907	13,636	(7,729)
	19,867	-	19,867	35,803	(15,936)
Construction, Upgrading and Operation of Transportation Infrastructure					
2.1 Transportation Safety Services					
2.1.1 Transportation Safety Services	23,483	-	23,483	23,517	(34)
2.1.2 Transportation Safety Board	569	-	569	635	(66)
Total Sub-program	24,052	-	24,052	24,152	(100)
2.2 Highway Systems					
2.2.1 North - South Trade Corridor					
- Capital Investment	196,000	-	196,000	202,288	(6,288)
2.2.2 Provincial Highways					
- Operating Expense	311,429	-	311,429	275,889	35,540
- Capital Investment	240,601	-	240,601	229,523	11,078
2.2.3 Other Road Infrastructure					
- Operating Expense	4,950	-	4,950	6,319	(1,369)
- Capital Investment	5,400	-	5,400	7,541	(2,141)
Total Sub-program	758,380	-	758,380	721,360	37,020
2.3 Municipal Partnerships					
2.3.1 Rural Transportation Partnerships	131,850	-	131,850	68,709	63,141
2.3.2 Resource Roads / New Industry					
- Operating Expense	33,000	-	33,000	27,058	5,942
- Capital Investment	1,000	-	1,000	144	856
2.3.3 Alberta Cities Transportation Partnerships	125,900	-	125,900	144,459	(18,559)
2.3.4 Streets Improvement Program	51,000	-	51,000	22,173	28,827
2.3.5 Municipal Water and Wastewater Grants	35,050	-	35,050	51,998	(16,948)
Total Sub-program	377,500	-	377,500	314,541	62,959
2.4 Water Management Infrastructure					
2.4.1 Water Management Infrastructure					
- Capital Investment	13,572	-	13,572	8,613	4,959
- Capital Investment funded by Lotteries	20,000	-	20,000	20,000	-
Total Sub-program	33,572	-	33,572	28,613	4,959

Ministry of Transportation

Schedule to the Financial Statements
Comparison of Expenses - Directly Incurred and Capital Investments by Element to Authorized Budget

Year ended March 31, 2002

Schedule 4 continued

(in thousands)

	2001-2002				
	Estimates	Authorized Supplementary	Authorized Budget	Actual Expense (a)	Unexpended (Over Expended)
2.5 Infrastructure Canada/ Alberta Program					
2.5.1 Infrastructure Canada/Alberta Program					
- Operating Expense	88,000	-	88,000	34,055	53,945
- Operating Expense funded by Lotteries	50,000	-	50,000	50,000	-
Total Sub-program	138,000	-	138,000	84,055	53,945
2.6 Program Services					
2.6.1 Program Services	27,317	-	27,317	25,446	1,871
Total Sub-program	27,317	-	27,317	25,446	1,871
2.7 Financial Transactions					
2.7.1 Amortization of Capital Assets	148,440	-	148,440	160,362	(11,922)
2.7.2 Consumption of Inventories	15,500	-	15,500	13,339	2,161
Total Sub-program	163,940	-	163,940	173,701	(9,761)
	1,522,761	-	1,522,761	1,371,868	150,893
	$ 1,542,628	$ -	$ 1,542,628	$ 1,407,671	$ 134,957
Program Operating Expense	1,010,148	-	1,010,148	875,926	134,222
Program Operating Expense Funded by Lotteries	50,000	-	50,000	50,000	-
	1,060,148	-	1,060,148	925,926	134,222
Program Capital Investment	462,480	-	462,480	461,745	735
Program Capital Investment Funded by Lotteries	20,000	-	20,000	20,000	-
	482,480	-	482,480	481,745	735
	$ 1,542,628	$ -	$ 1,542,628	$ 1,407,671	$ 134,957
Statutory Expenses					
Valuation Adjustments					
Provision for Doubtful Accounts	$ -	$ -	$ -	$ 44	$ (44)
Provision for Vacation Pay	-	-	-	(148)	148
	$ -	$ -	$ -	$ (104)	$ 104

Ministry of Transportation
Schedule to the Financial Statements
Salary and Benefits Disclosure

Year ended March 31, 2002

Schedule 5

	2002			2001
	Salary (1)	Benefits and Allowances (2)	Total	Total
Deputy Minister [3]	$ 158,083	$ 45,908	$ 203,991	$ -
Other Executives				
Chair, Transportation Safety Board	125,091	31,945	157,036	162,485
Assistant Deputy Minister, Traffic Safety Services [4]	35,658	9,705	45,363	-
Assistant Deputy Minister, Corporate Services [5][6]	102,848	44,336	147,184	174,696
Assistant Deputy Minister, Transportation and Civil Engineering [7]	93,044	22,001	115,045	183,501
Assistant Deputy Minister, Infrastructure Policy and Planning [8]	11,937	1,981	13,918	-

Prepared in accordance with Treasury Board Directive 12/98.

(1) Salary includes regular base pay, bonuses, overtime and lump sum payments.

(2) Benefits and allowances include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, WCB premiums, professional memberships and tuition fees.

(3) Automobile provided, no dollar amount included in benefits and allowances.

(4) The Chair of the Transportation Safety Board was also responsible for Traffice Safety Services until January 1, 2002 when the Assistant Deputy Minister , Traffic Safety Services position was created.

(5) The position is shared with the Ministry of Infrastructure which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule. The position became vacant on February 12, 2002.

(6) Benefits and allowances include vacation payments of $17,230 (2001 $15,229).

(7) The position was vacant from April 1, 2001 to June 17, 2001.

(8) The Assistant Deputy Minister, Infrastructure Planning and Policy position was created on March 13, 2002.

Ministry of Transportation
Schedule to the Financial Statements
Related Party Transactions

Year ended March 31, 2002
(in thousands)

Schedule 6

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations at the amount of consideration agreed upon between the related parties.

	Other Entities	
	2002	2001
Revenues		
Lottery Fund	$ 70,000	$ 20,000
	$ 70,000	$ 20,000
Expenses - Directly Incurred		
Air Transportation	$ 46	$ -
Executive Vehicles/Central Vehicle Operations	48	-
Other Services	1,513	1,169
	$ 1,607	$ 1,169
Transfers to Other Government Entities	$ 12,382	$ -

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider. These amounts are not recorded in the financial statements and are disclosed in Schedule 7.

	Other Entities	
	2002	2001
Expenses - Incurred by Others (Schedule 7)		
Accommodation	$ 3,804	$ 2,802
Legal	239	177
	$ 4,043	$ 2,979

Ministry of Transportation
Schedule to the Financial Statements
Allocated Costs

Year ended March 31, 2002
(in thousands)

Schedule 7

Program	2002 Expenses (1)	Expenses - Incurred by Others: Accommodation Costs	Expenses - Incurred by Others: Legal Services	Valuation Adjustments: Vacation Pay	Valuation Adjustments: Doubtful Accounts	2002 Expenses	2001 Expenses
Ministry Support Services	$ 22,167	$ 347	$ 20	$ 37	$ -	$ 22,571	$ 19,034
Construction, Upgrading and Operation of Infrastructure	903,759	3,457	219	(185)	44	907,294	865,153
	$ 925,926	$ 3,804	$ 239	$ (148)	$ 44	$ 929,865	$ 884,187

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments

List of Government Entities 2001-02 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Dairy Control Board	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission, The	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Revenue
Alberta Heritage Savings Trust Fund	Revenue
Alberta Heritage Scholarship Fund	Revenue
Alberta Heritage Science and Engineering Research Endowment Fund	Revenue
Alberta Historical Resources Foundation, The	Community Development
Alberta Insurance Council	Finance
Alberta Municipal Financing Corporation	Finance
Alberta Opportunity Company	Agriculture, Food and Rural Development
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Revenue
Alberta School Foundation Fund	Learning
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Seniors
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Awasak Child and Family Services Authority	
Calgary Rocky View Child and Family Services Authority	
Child and Family Services Authority Region 13	

List of Government Entities 2001-02 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Child and Family Services Authority Region 14	
Diamond Willow Child and Family Services Authority	
Hearthstone Child and Family Services Authority	
Keystone Child and Family Services Authority	
Ma' Mowe Capital Region Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Neegan Awas'sak Child and Family Services Authority	
Ribstone Child and Family Services Authority	
Sakaigun Asky Child and Family Services Authority	
Sakaw-Askiy Child and Family Services Authority	
Silver Birch Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Sun Country Child and Family Services Authority	
West Yellowhead Child and Family Services Authority	
Windsong Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta	Agriculture, Food and Rural Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Energy	Energy
Ministry of Finance	Finance
Ministry of Gaming	Gaming
Ministry of Health and Wellness	Health and Wellness
Ministry of Innovation and Science	Innovation and Science
Ministry of Learning	Learning
Ministry of Revenue	Revenue
Ministry of Seniors	Seniors
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource

List of Government Entities 2001-02 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation, The	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCore Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development[1]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[1]	Economic Development
Ministry of Energy	Energy
Ministry of Environment[1]	Environment
Ministry of Finance	Finance
Ministry of Executive Council[1]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[1]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[1]	Human Resources and Employment
Ministry of Infrastructure[1]	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[1]	International and Intergovernmental Relations
Ministry of Justice[1]	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs[1]	Municipal Affairs
Ministry of Revenue	Revenue
Ministry of Seniors	Seniors
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Transportation[1]	Transportation

[1] Ministry includes only the Ministry so separate Ministry financial statements are not necessary.

List of Government Entities 2001-02 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards	
Calgary Community Board	Community Development
Central Community Board	Community Development
Edmonton Community Board	Community Development
Northeast Community Board	Community Development
Northwest Community Board	Community Development
South Community Board	Community Development
Persons with Developmental Disabilities Michener Centre Facility Board	Community Development
Persons with Developmental Disabilities Provincial Board	Community Development
S C Financial Ltd.	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation, The	Community Development

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	*Ministry Annual Report*
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Public Post Secondary Institutions	Learning

List of Government Entities 2001-02 Annual Reports

Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account, The	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Universities Academic Pension Plan	Finance
Workers' Compensation Board	Human Resources and Employment

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